

WILLIAMSBURG COUNTY, SOUTH CAROLINA

**AUDITED BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2010**

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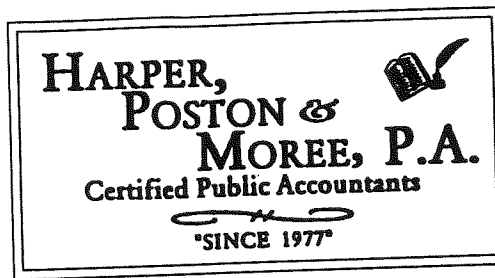
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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and
Members of Williamsburg County Council
Kingstree, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business - type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Williamsburg County, South Carolina as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Williamsburg County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Williamsburg County Alcohol & Drug Abuse Commission special revenue fund, which represents 1 percent and 12 percent, respectively, of the assets and revenues of the other governmental funds. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included in the other governmental fund column for the Williamsburg County Alcohol and Drug Abuse Commission is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of other auditors, provide a reasonable basis for our opinions.

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Williamsburg County, South Carolina as of June 30, 2010, and respective changes in the financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2011 on our consideration of Williamsburg County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and pages 55 through 58 and the schedule of funding progress and employer contribution on page 60, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with the sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Williamsburg's financial statements taken as a whole. The combining and individual financial statements and supplemental information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the County of Williamsburg. The combining and individual fund financial statements, supplemental information and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our report and the report of other auditors, the information is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
February 28, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Williamsburg County, South Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Williamsburg County for the fiscal year ended June 30, 2010. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- ❖ The assets of Williamsburg County exceeded its liabilities at June 30, 2010 by \$31,354 (net assets). This is an increase of \$1,802 from the prior year net assets. This increase is due from the increase of grant revenues in Water and Sewer Fund and Transit Authority.
- ❖ As of the close of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$8,624. This is a decrease in fund balance from the prior year in the amount of \$3,002. \$1,954 of this decrease in fund balance is from the expenditures made in the completion of the five (5) fire stations that had received funding in the prior year but was not expended until this fiscal year. Approximately 43% or \$3,741 of the total fund balance is available for spending at the government's discretion (unreserved fund balance).
- ❖ As of the close of the current fiscal year, unreserved fund balance for the general fund was \$4,100 or 26% of the total general fund expenditures.
- ❖ Williamsburg County's long-term debt decreased by \$809 (5%) during the current fiscal year. The main component of this decrease was the reduction of general obligation bonds in the amount of \$588 and reduction in capital leases in the amount of \$880. The Bond Anticipation Note purchased last year was reissued in 2010 with a principal reduction of \$186.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Williamsburg County's basic financial statements which are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements, and
3. Notes to the financial statements

This report also contains other supplementary financial information in addition to the basic financial statements themselves.

Government-wide financial statements. Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Williamsburg County and are similar to private sector financial statements. They include a statement of net assets and a statement of activities. These statements appear on pages 14 and 15 of this report.

Component units, which are other governmental units over which the County (the County Council, acting as a group) can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as combining statements of net assets and of activities in the fund financial statements. The focus of the statements is clearly on the Primary Government and the presentation allows the user to address the relative relationship with the Component Unit. For those readers interested in more information on the component unit, contact information is provided in Note 1. A. on page 27 of this report.

The Statement of Net Assets shows the County's assets less its liabilities at June 30, 2010. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

The Statement of Activities follows the Statement of Net Assets and presents information showing how the net assets changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows.

Both statements attempt to distinguish functions of Williamsburg County that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities reported in the statements include general government, public safety, public works, health and welfare, economic development, culture and recreation, and environmental services (landfill). Major business activities include water and sewer, transit system, and a countywide E-911 communication system.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Williamsburg County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Williamsburg County can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds. Governmental funds, presented on pages 16 through 19, essentially account for the same functions as those reported under government-wide statement of net assets and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Williamsburg County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in Williamsburg County's statements include four major funds, the General Fund, the Rural Fire Fund, the Landfill Fund, and the Debt Service Fund. The smaller governmental funds in Williamsburg County government are Federal and State Grant Fund, Road & Bridges Fund, Industrial Park Fund, Sheriff Special Fund and Williamsburg County Alcohol & Drug Abuse Fund. They have been presented in a total column termed as "other governmental funds". Their detail can be reviewed on pages 62 and 63.

Proprietary funds. Williamsburg County maintains and presents proprietary funds for three enterprises, Water and Sewer, Transit Authority and E-911, shown on pages 20 through 24 of this report.

Enterprise funds report in greater detail the same information presented as business-type activities in the government-wide financial statements for Water and Sewer, Transit, and E-911.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Williamsburg County's own programs. The accounting used for fiduciary funds is much like that used for proprietary

funds. The basic fiduciary fund financial statements can be found on pages 25 and 26 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 27 through 55.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Williamsburg County, assets exceed liabilities by \$31,354 at the close of the June 30, 2010 fiscal year.

Of this amount, \$28,416 (91%) reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Williamsburg County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities.

An additional portion of the County's net assets, \$3,441 (11%) represents restrictions for Landfill Closure and Post Closure; \$1,163 (4%) represents restrictions for debt service; \$17 is restricted for public safety.

At the end of the current fiscal year, Williamsburg County is able to report positive balances in the government as a whole, as well as for its separate governmental and business-type activities.

Williamsburg County's Net Assets June 30, 2010 (Recapped from page 13)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	13,050	14,492	1,946	1,438	14,996	15,930
Capital assets	18,552	17,575	23,993	18,259	42,545	35,834
Total assets	31,602	32,067	25,939	19,697	57,541	51,764
Long-term liabilities						
outstanding	16,201	13,028	6,093	2,789	22,294	15,817
Other liabilities	3,369	6,105	524	289	3,893	6,394
Total liabilities	19,570	19,133	6,617	3,078	26,187	22,211
Net Assets:						
Invested in capital assets, net of related debt	10,323	10,242	18,093	15,492	28,416	25,734
Restricted for:						
Public Safety	17	27	-	-	17	27
General Government	2	-	-	-	2	-
Landfill closure and post closure	3,441	3,644	-	-	3,441	3,644
Restricted - other	1,133	1,137	30	30	1,163	1,167
Unrestricted	(2,885)	(2,116)	1,200	1,097	(1,685)	(1,019)
Total net assets	12,032	12,934	19,323	16,619	31,354	29,553

Governmental activities. Governmental activities decreased the County's net assets by \$902. Of this decrease, \$896 was monies transferred to the Business-type activities for general operation.

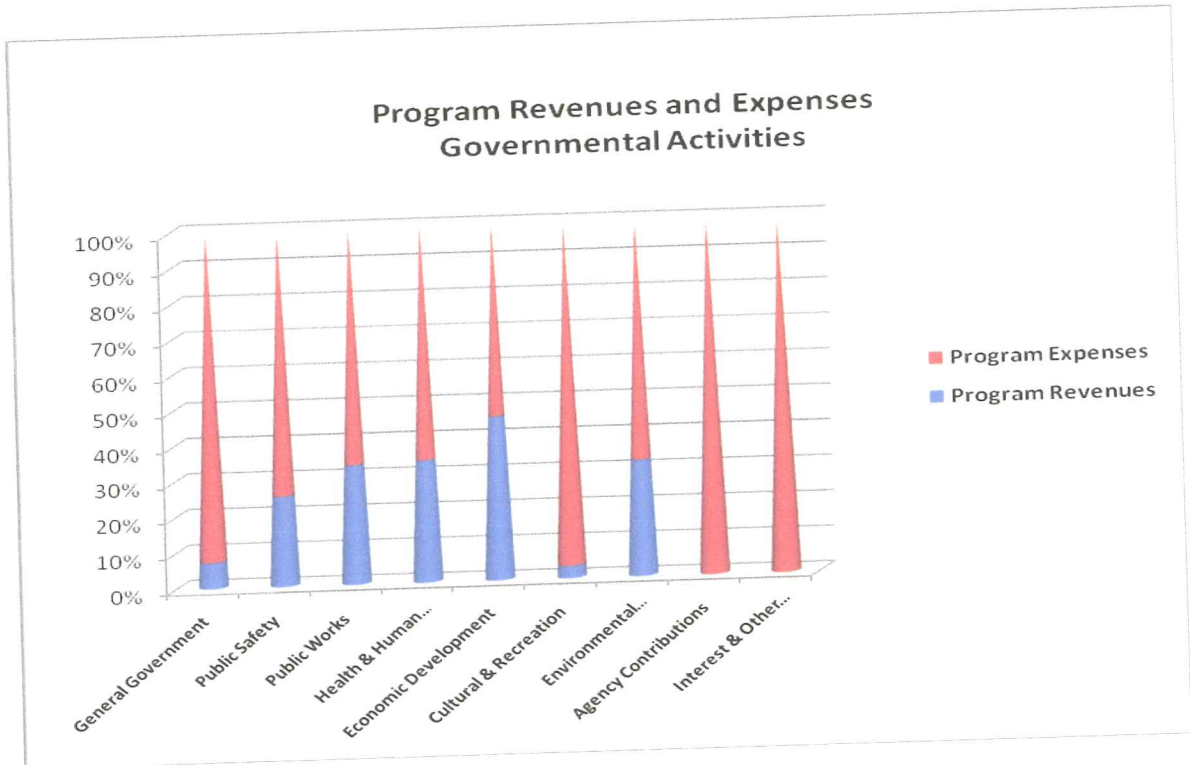
Business-type activities. Business-type activities increased the County's net assets by \$896 accounting for the increase in the government's net assets. Combined decrease of Net Assets is \$1,801.

**Williamsburg County, South Carolina
Changes in Net Assets (Recapped)
For the Fiscal Year ended June 30, 2010**

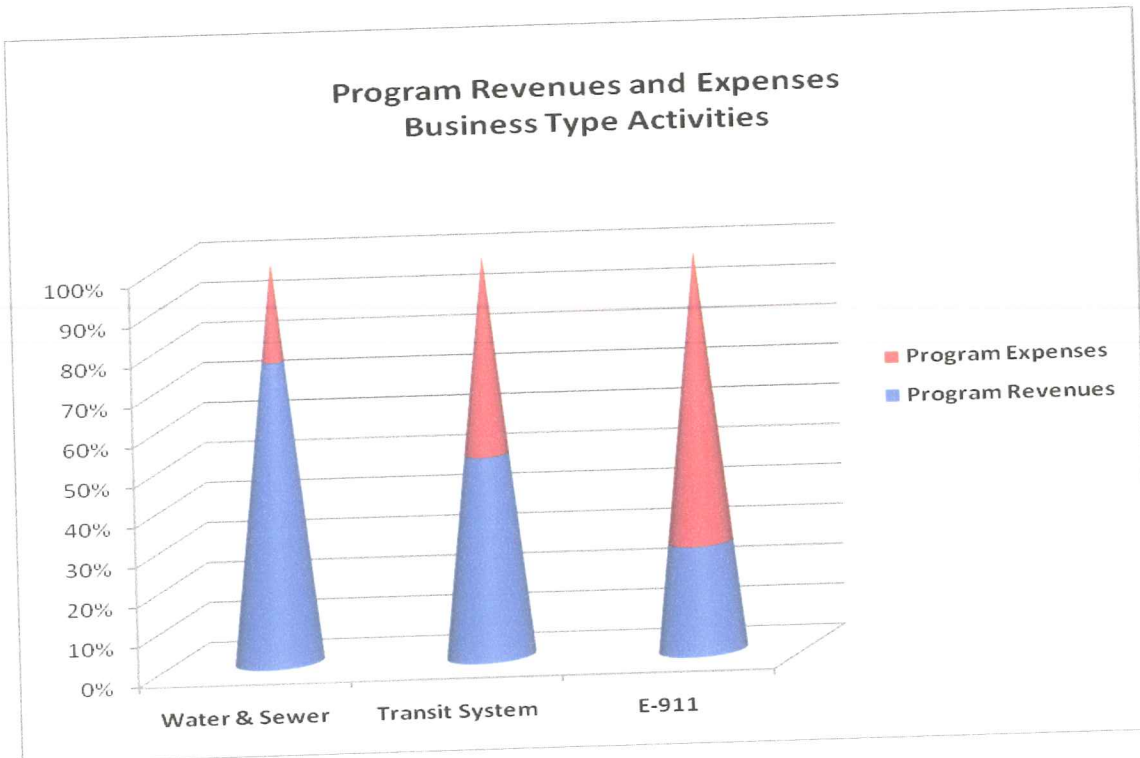
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for services	3,188	3,052	2,398	2,515	5,586	5,567
Operating grants and contributions	3,991	2,243	560	668	4,551	2,911
Capital grants and contributions	494	1,542	3,256	8	3,750	1,550
General revenues:						
Property taxes	10,877	11,276	-	-	10,877	11,276
Other taxes	2,173	2,209	-	-	2,173	2,209
Local government fund	2,215	2,101	-	-	2,215	2,101
Other revenue	1,685	870	-	-	1,685	870
Investment earnings	50	91	36	50	86	141
Total Revenue	24,673	23,384	6,250	3,241	30,922	26,625
Expenses:						
Program Activities:						
Government Activities:						
General government	8,565	8,211	-	-	8,565	8,211
Public safety	5,443	5,244	-	-	5,443	5,244
Public works	2,612	1,707	-	-	2,612	1,707
Health and welfare	2,577	2,522	-	-	2,577	2,522
Economic development	1,809	1,099	-	-	1,809	1,099
Culture and recreation	662	589	-	-	662	589
Environmental services	1,950	4,410	-	-	1,950	4,410
Agency contributions	684	627	-	-	684	627
Interest and other charges	375	481	-	-	375	481
Business-type activities:						
Water and Sewer Fund	-	-	1,186	1,110	1,186	1,110
Transit System	-	-	2,175	2,238	2,175	2,238
E-911 Fund	-	-	1,082	1,004	1,082	1,004
Total Expenses	24,677	24,890	4,443	4,352	29,120	29,242
Transfers	(896)	(660)	896	660	0	-
Increase in Net Assets	(902)	(2,166)	2,703	(451)	1,801	(2,617)
Net Assets 07/01/2009	12,934	15,100	16,619	17,070	29,553	32,170
Net Assets 06/30/2010	12,032	\$12,934	19,322	\$16,619	31,354	\$29,553

Property tax revenues decreased over last year by \$435 or 3%. This decrease is primarily from the reduction in vehicle tax. This reduction has been contributed to the decrease in new vehicle sales over the past year. The \$700 increase in grant revenue in the governmental fund was primarily from increased activity with departmental grants. We received \$1,542 in capital grants for the Public Safety and Economic Development. All other revenue sources experienced slight increases in the year giving the combined increase in revenue of \$988 over last year.

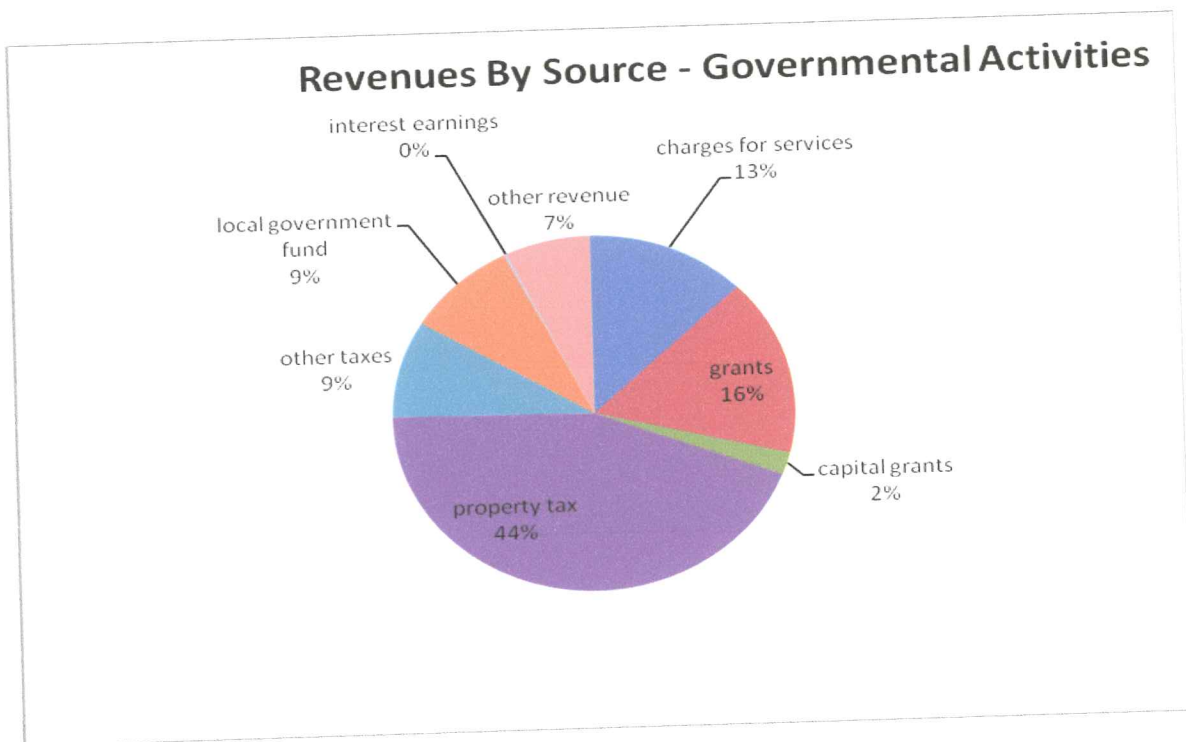
Program revenues are derived directly from the program. They reduce the net cost of the function to be supported from the county's general revenue sources.



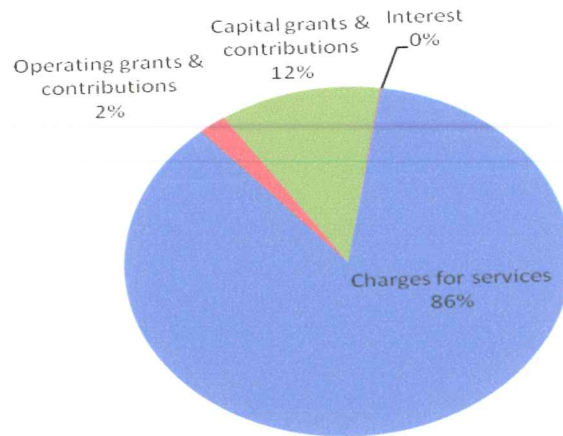
The chart above shows the percentages of governmental activities of the county that are supported by Program Revenues. None of the governmental activities are fully funded by the Program Revenues. Economic Development is the strongest supported by Program Revenues with only \$275 needed from general revenue to assist in the support of their program. There are no Program Revenues to support agency contributions and interest and other charges. These two activities had expenditures of \$1,059 for 2010. Governmental Activities received \$7,670 or 31% collectively in program revenues while the program expenditures were \$24,677. This requires the remaining 69% or \$17,007 of the revenues required to meet program expenditures to come from general revenue which includes taxes.



The chart above shows the percentages of Business-type activities of the county that are supported by Program Revenues. The only Business-type fund that is not fully funded with its Program Revenues is E-911.



Revenues by Source - Business-type Activities



For the most part, increases in expenses for Business-type funds closely paralleled inflation and growth in the demand for services. Increases in expenses were generated primarily from increases in Water and Sewer Authority costs associated with contractual fees and increased costs in E-911. There were transfers of \$896 to the Business Type funds to offset overages in expenditures from grants and various sources.

Financial Analysis of the Government's Funds

As noted earlier, Williamsburg County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Williamsburg County's governmental funds reported combined ending fund balances of \$8,624, a decrease of \$3,002 (26%) from the previous year. As stated on page 3 of this report, the decrease is primarily due from \$1,954 expenditures paid in 2010 for the construction of the five (5) fire stations that were funded in the prior year.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the total fund balance of \$4,293 for the general fund of which \$4,100 was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 26% of total general fund balance to total fund expenditures. Unreserved fund balance of the general fund was \$271 during the current year. This decrease is attributed to the additional transfers needed in the business-type fund for non-reoccurring expenditures. There was Operating Transfers In in the amount of \$1,005 from Debt Service for the purpose of reimbursing the general fund for debt payments and

reimbursement from Public Works for expenditures. Operating transfers (Out) from the general fund were \$2,268.

The rural fire fund has a total fund balance of \$314. The prior year fund balance had \$2,099 restricted for the construction and equipping of the five (5) fire stations. This fund balance was reduced due to the completion of construction on these stations during 2010.

The debt service fund has a total fund balance of \$535, all of which is reserved for the payment of debt service. A decrease of \$689 in the fund balance results from a portion of the fund balance being used to minimize budget impact for 2010.

The remaining special revenue funds have a combined total fund balance of \$3,795. The landfill closure fund has a fund balance of \$2,808. The other governmental funds included in the above totals had a combined fund balance of \$674. \$68 is unreserved in the other governmental funds and the landfill fund has a deficit unreserved fund balance of \$633.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. See pages 20 through 24.

Unrestricted net assets of the Water and Sewer System at the end of the year amounted to \$305 and the Transit System totaled \$1,713. The E-911 Fund experienced a negative unrestricted net asset of \$819, primarily due to the transfers due to the general fund for operating expenses not covered by subscriber fees. The net assets for the Water and Sewer System increased \$2,415. The Transit net assets increased \$289. E-911 experienced a decrease in net assets of \$1 due from depreciation of equipment.

General Fund Budgetary Highlights

There was no significant change in revenues between the original budget and the final amended budget shown on pages 56 and 57 of this report. The Taxes, Fees and Other Revenue categories were the only revenue streams that experienced decreases from the original budget.

Capital Asset and Debt Administration

Capital assets. Williamsburg County's investment in capital assets for its governmental and business-type activities as of June 30, 2010 amounted to \$42,545 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 16%. Both governmental activities and business-type activities experienced an increase in capital assets for the fiscal year.

Major capital assets events during the current year included the following:

- Various capital assets purchased for other departments.
- Land improvements to various facilities.
- Paving of county-owned roads.

Capital Assets for Governmental and Business-type Activities

	Governmental Activities		Business-type Activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	1,829	1,829	148	148	1,977	1,977
Land improvements	3,171	3,330	-	-	3,171	3,330
Buildings	4,132	3,784	28	34	4,160	3,818
Building improvements	2,147	2,301	43	47	2,190	2,348
Roads & Bridges	3,121	3,263	-	-	3,121	3,263
Water Distribution System	-	-	13,313	13,504	13,313	13,504
Leasehold improvements	281	191	-	-	281	191
Furniture & fixtures	783	848	100	120	883	968
Machinery & equipment	290	383	81	92	371	475
Automotive equipment	2,593	1,421	1,214	840	3,807	2,261
Communication equipment	205	225	454	502	659	727
Construction in progress	-	-	8,612	2,973	8,612	2,973
Total	<u>18,552</u>	<u>\$17,575</u>	<u>\$23,993</u>	<u>\$18,260</u>	<u>42,545</u>	<u>\$35,835</u>

Additional information on the County's capital assets can be found in Note 5 on pages 35 through 38 of this report.

Long-term debt. At the end of the current fiscal year, Williamsburg County had total bonded debt outstanding of \$12,629 backed by the full faith and credit of the government.

Williamsburg County Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation						
bonds	5,429	6,017	-	-	5,429	6,017
Unamortized Premium	17	19	-	-	17	19
Bond anticipation						
notes	1,400	1,586	-	-	1,400	1,586
Revenue bonds	-	-	2,568	488	2,568	488
Bond anticipation						
notes	-	-	3,215	2,102	3,215	2,102
Total bonds payable	6,846	7,622	5,783	2,590	12,629	10,212
Capital leases	1,491	1,956	51	99	1,542	2,055
Vehicle Acquisition Plan	-	-	66	79	66	79
Total	8,337	9,578	5,900	2,768	14,237	\$12,346

The County's total bonded debt increased by \$2,417 (24%) during the current fiscal year, primarily as a result of the Water & Sewer Bond Anticipation Note (\$3,215) and then the decreases in annual bond payments throughout the fiscal year.

Williamsburg County received a 'A-' rating from Standards & Poor's Rating group and a 'A3' rating from Moody's Investors Service for its most recent General Obligation Bonds and General Obligation Refunding Bonds, Series 2010.

South Carolina statutes limit the amount of general obligation debt a government entity may issue (without referendum) to 8% of its total assessed value. The current general obligation (G.O.) debt limit for Williamsburg County General Fund is \$7,087. The current general obligation bonds subject to the legal debt limitation is \$2,213 for the General Fund. The bonds for the Rural Fire Debt are not considered as part of the County's legal debt limit but are considered as part of the Rural Fire District.

Additional information on the County's long-term debt can be found in note 8 on pages 38 through 44 of this report.

Economic Factors and Next Year's Budgets and Rates

- ❖ As of December 2010 the annual average unemployment rate for Williamsburg County is 14.4%. This is a .2% increase from the prior fiscal year. Williamsburg County is currently ranked 15th in unemployment in the State. Despite this despairing economic condition, there are several new projects coming in 2011 to reduce the unemployment rate in this county.
- ❖ Williamsburg County currently has four new industry announcements. These industries are The Truss Company in Salters; I.T.I. Hydraulik in Andrews; Solar Energy Initiatives, Inc. in Kingstree; and Willowglen Academy in Kingstree. Also, Palmetto Synthetics of Kingstree has announced expansion of their current facility and additional jobs will be forthcoming.

- ❖ Williamsburg County is currently working with 10 other projects that can possibly bring new jobs into the county.
- ❖ Business Development Corporation has received awards of three (3) new grants. \$750,000 received to purchase and renovate the former Milliken building; \$500,000 received for Project fiber's expansion; \$600,000 for the S.C. Department of Commerce for Epps #1 Site.
- ❖ Williamsburg County has currently three industrial parks located in Kingstree, Hemingway and Salters, South Carolina. There are two speculative buildings available for qualifying prospects.

Requests for Information:

This financial report is designed to provide a general overview of Williamsburg County's finances for all those with an interest in the government's financing. Questions concerning any of the information should be addressed to Phyllis B. Underwood, Williamsburg County Controller, P.O. Box 330, Kingstree, SC 29556.

BASIC FINANCIAL STATEMENTS

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash	\$ 2,336,563	\$ 1,117,183	\$ 3,453,746	\$ 130,580
Investments	0	1,408,527	1,408,527	0
Accounts Receivable (Net of Allowance for Uncollectibles)	0	141,740	141,740	905
Court Fines Receivable (Net)	86,048	0	86,048	0
Taxes Receivable (Net of Allowance for Uncollectibles)	1,150,897	0	1,150,897	0
Due From Others	512,895	0	512,895	0
Due From State	1,520,499	0	1,520,499	0
Prepaid Assets	192,642	0	192,642	3,761
Other Receivables	1,406,532	59,339	1,465,871	1,271
Internal Balances	858,515	(858,515)	0	0
Inventories	32,769	40,228	72,997	0
Deferred Charges	140,851	0	140,851	0
Interest Receivable	0	7,667	7,667	0
Temporarily Restricted Assets:				
Cash and Investments	4,811,345	30,000	4,841,345	0
Capital Assets (Net of Accumulated Depreciation):				
Land	1,829,225	148,000	1,977,225	0
Construction in Progress	0	8,612,229	8,612,229	0
Land Improvements	3,171,402	0	3,171,402	0
Roads & Bridges	3,121,129	0	3,121,129	0
Buildings	4,132,459	27,702	4,160,161	0
Building Improvements	2,147,483	42,627	2,190,110	0
Leasehold Improvements	281,076	0	281,076	0
Water & Wastewater System	0	13,312,590	13,312,590	0
Furniture & Fixtures	782,540	100,205	882,745	39,000
Machinery & Equipment	289,642	81,370	371,012	8,808
Automotive Equipment	2,592,737	1,214,133	3,806,870	38,131
Communication Equipment	204,517	454,357	658,874	0
TOTAL ASSETS	\$ 31,601,766	\$ 25,939,382	\$ 57,541,148	\$ 222,456
LIABILITIES				
Accounts Payable	1,788,775	79,078	1,867,853	2,155
Retainage Payable	0	415,931	415,931	0
Due to Others	383,012	0	383,012	0
Accrued Interest Payable	233,865	27,599	261,464	0
Accrued Salaries and Related Fringes	503,157	0	503,157	14,890
Customer Deposits	0	1,350	1,350	0
Deferred Revenue	460,663	0	460,663	0
Noncurrent Liabilities:				
Due Within One Year	3,868,979	3,336,781	7,205,760	12,677
Due In More Than One Year	12,331,620	2,755,904	15,087,524	10,787
TOTAL LIABILITIES	\$ 19,570,071	\$ 6,616,643	\$ 26,186,714	\$ 40,509
NET ASSETS				
Invested In Capital Assets, Net Of Related Debt	10,322,811	18,093,108	28,415,919	85,939
Restricted For:				
Public Safety	17,583	0	17,583	0
Restricted for General Government	2,282	0	2,282	0
Restricted Landfill Closure & Post Closure Costs	3,440,772	0	3,440,772	0
Restricted Debt	1,133,072	30,000	1,163,072	0
Unrestricted	(2,884,825)	1,199,631	(1,685,194)	96,008
TOTAL NET ASSETS	\$ 12,031,695	\$ 19,322,739	\$ 31,354,434	\$ 181,947

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET REVENUE (EXPENSE) AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENT UNIT
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary Government:								
Governmental Activities:								
General Government	\$ 8,564,948	\$ 467,314	\$ 104,588	\$ 103,000	\$ (7,890,046)	\$ 0	\$ (7,890,046)	\$ 0
Public Safety	5,443,257	765,081	910,289	169,400	(3,598,487)	0	(3,598,487)	0
Public Works	2,612,316	424,068	667,347	221,413	(1,299,488)	0	(1,299,488)	0
Health & Human Services	2,576,587	718,129	621,839	0	(1,236,619)	0	(1,236,619)	0
Economic Development	1,809,382	0	1,533,699	0	(275,683)	0	(275,683)	0
Cultural & Recreation	662,450	24,060	0	0	(638,390)	0	(638,390)	0
Environmental Services - Landfill	1,950,345	789,473	153,304	0	(1,007,568)	0	(1,007,568)	0
Agency Contributions	684,288	0	0	0	(684,288)	0	(684,288)	0
Interest and Other Charges	374,591	0	0	0	(374,591)	0	(374,591)	0
Total Governmental Activities	\$ 24,678,164	\$ 3,188,125	\$ 3,991,066	\$ 493,813	\$ (17,005,160)	\$ 0	\$ (17,005,160)	\$ 0
Business-Type Activities:								
Water & Sewer Fund	1,185,686	1,134,019	0	2,461,966	0	2,410,299	2,410,299	0
Williamsburg County Transit System	2,174,834	862,512	559,979	794,237	0	41,894	41,894	0
E 911 Fund	1,081,824	401,225	0	0	0	(680,599)	(680,599)	0
Total Business-Type Activities	\$ 4,442,344	\$ 2,397,756	\$ 559,979	\$ 3,256,203	\$ 0	\$ 1,771,594	\$ 1,771,594	\$ 0
Total Primary Government	\$ 29,120,508	\$ 5,585,881	\$ 4,551,045	\$ 3,750,016	\$ (17,005,160)	\$ 1,771,594	\$ (15,233,566)	\$ 0
Component Unit								
Williamsburg County Library	\$ 508,361	\$ 20,025	\$ 78,615	\$ 0			\$ (409,721)	
Total Component Unit	\$ 508,361	\$ 20,025	\$ 78,615	\$ 0			\$ (409,721)	
GENERAL REVENUES								
Taxes		\$	\$		\$ 10,876,962	\$ 0	\$ 10,876,962	\$ 0
Contributions from Primary Government					0	0	0	385,424
Local Option Sales Tax					2,172,559	0	2,172,559	0
Local Government Fund					2,215,368	0	2,215,368	0
State Shared Taxes					1,563,300	0	1,563,300	0
Interest					49,811	35,915	85,726	1,177
Miscellaneous Revenue					121,462	0	121,462	0
Transfers					(896,360)	896,360	0	0
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS					\$ 16,103,102	\$ 932,275	\$ 17,035,377	\$ 386,601
CHANGES IN NET ASSETS					\$ (902,058)	\$ 2,703,869	\$ 1,801,811	\$ (23,120)
NET ASSETS, Beginning of Year					12,933,753	16,618,870	29,552,623	205,067
NET ASSETS, End of Year					\$ 12,031,695	\$ 19,322,739	\$ 31,354,434	\$ 181,947

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	GENERAL FUND	RURAL FIRE FUND	LANDFILL FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash	\$ 1,789,828	\$ 156,630	\$ 3,663	\$ 117	\$ 386,325	\$ 2,336,563
Cash Restricted	130,009	107,609	3,440,772	1,132,955	0	4,811,345
Court Fines Receivable						
(Net of Allowance)	86,048	0	0	0	0	86,048
Due from Others	512,895	0	0	0	0	512,895
Taxes Receivable (Net of Allowance)	723,814	108,888	120,029	198,166	0	1,150,897
Other Receivables	593,301	0	130,916	0	682,315	1,406,532
Due from State Government	1,520,499	0	0	0	0	1,520,499
Prepaid Expenses	192,642	0	0	0	0	192,642
Inventory	0	0	0	0	32,769	32,769
Due from Other Funds	1,890,076	24,866	0	0	149,547	2,064,489
TOTAL ASSETS	\$ 7,439,112	\$ 397,993	\$ 3,695,380	\$ 1,331,238	\$ 1,250,956	\$ 14,114,679
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	1,005,861	0	9,170	340,697	433,047	1,788,775
Due to Other Funds	0	0	771,315	311,357	123,302	1,205,974
Due to Others	383,012	0	0	0	0	383,012
Accrued Wages &						
Benefits Payable	491,710	0	0	0	11,447	503,157
Deferred Revenue	1,265,470	84,092	107,132	144,126	9,415	1,610,235
TOTAL LIABILITIES	\$ 3,146,053	\$ 84,092	\$ 887,617	\$ 796,180	\$ 577,211	\$ 5,491,153
FUND BALANCE						
Reserved for Debt Service	0	0	0	535,058	0	535,058
Reserved for Inventory	0	0	0	0	32,769	32,769
Reserved for Prepaids	192,642	0	0	0	0	192,642
Reserved for Closure Costs	0	0	3,440,772	0	0	3,440,772
Reserved for Special Projects	0	0	0	0	573,353	573,353
Reserved for Capital Projects	0	107,609	0	0	0	107,609
Unreserved	4,100,417	206,292	(633,009)	0	67,623	3,741,323
TOTAL FUND BALANCE	\$ 4,293,059	\$ 313,901	\$ 2,807,763	\$ 535,058	\$ 673,745	\$ 8,623,526
TOTAL LIABILITIES AND FUND BALANCE	\$ 7,439,112	\$ 397,993	\$ 3,695,380	\$ 1,331,238	\$ 1,250,956	\$ 14,114,679

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010**

Amounts reported for governmental activities in the statement of net assets are different because :

Ending fund balances - governmental funds balance sheet	\$ 8,623,526
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	18,552,210
Other long-term assets, such as property taxes, court fines, and ambulance fees are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,149,572
Long-term liabilities, including bonds payable (net of premiums and issuance costs), capital leases, compensated absences, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(16,293,613)</u>
Net assets of governmental activities	\$ <u><u>12,031,695</u></u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	GENERAL FUND	RURAL FIRE FUND	LANDFILL FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	\$ 10,919,047	\$ 858,067	\$ 0	\$ 1,995,898	\$ 548,514	\$ 14,321,526
Fees, Licenses & Permits	103,283	0	495,968	0	501,984	1,101,235
Intergovernmental Revenue	2,931,858	222,321	0	0	3,492,700	6,646,879
Charges for Services	931,602	0	249,285	0	0	1,180,887
Fines & Forfeitures	654,708	0	0	0	0	654,708
Miscellaneous Revenues	424,772	3,127	17,894	7,884	22,830	476,507
TOTAL REVENUES	\$ 15,965,270	\$ 1,083,515	\$ 763,147	\$ 2,003,782	\$ 4,566,028	\$ 24,381,742
EXPENDITURES						
Current:						
General Government	8,138,475	0	0	0	84,425	8,222,900
Public Safety	3,433,181	992,583	0	0	35,433	4,461,197
Public Works	0	0	0	0	2,105,987	2,105,987
Health and Human Services	1,528,919	0	0	0	838,580	2,367,499
Cultural and Recreational	535,584	0	0	0	0	535,584
Economic Development	0	0	0	0	1,593,146	1,593,146
Environmental Services - Landfill	566,638	0	1,009,314	0	153,390	1,729,342
Other	684,288	0	0	0	0	684,288
Capital Outlay:						
General Government	113,556	0	0	0	0	113,556
Public Safety	375,616	1,963,810	0	0	308,000	2,647,426
Public Works	0	0	0	0	295,430	295,430
Health and Human Services	16,912	0	0	0	0	16,912
Cultural and Recreational	76,327	0	0	0	0	76,327
Debt Service:						
Principal	0	0	0	1,653,842	0	1,653,842
Interest	14,807	0	0	356,726	0	371,533
Bond Issuance Costs	8,392	0	0	20,000	0	28,392
TOTAL EXPENDITURES	\$ 15,492,695	\$ 2,956,393	\$ 1,009,314	\$ 2,030,568	\$ 5,414,391	\$ 26,903,361
EXCESS REVENUES OVER EXPENDITURES	\$ 472,575	\$ (1,872,878)	\$ (246,167)	\$ (26,786)	\$ (848,363)	\$ (2,521,619)
OTHER FINANCING SOURCES (USES)						
Transfers In	1,004,600	0	0	343,803	1,266,983	2,615,386
Transfers (Out)	(2,163,342)	(81,467)	(27,236)	(1,004,600)	(235,081)	(3,511,746)
Lease Purchase Proceeds	415,000	0	0	0	0	415,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ (743,742)	\$ (81,467)	\$ (27,236)	\$ (660,797)	\$ 1,031,902	\$ (481,360)
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (271,167)	\$ (1,954,345)	\$ (273,423)	\$ (687,583)	\$ 183,539	\$ (3,002,979)
FUND BALANCE, Beginning of Year	4,564,226	2,268,246	3,081,186	1,222,641	490,206	11,626,505
FUND BALANCE, End of Year	\$ 4,293,059	\$ 313,901	\$ 2,807,763	\$ 535,058	\$ 673,745	\$ 8,623,526

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (3,002,979)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the amount by which capital outlay exceeded depreciation expense in the current period.	977,256
Revenues in the statement of activities, such as property taxes, ambulance fees and police fines that will not be collected for several months after year end and do not provide for current financial resources, are not reported as revenues in the funds.	290,724
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,049,777
Some expenses reported in the statement of activities, such as compensated absences, accrued interest, and amortization of bond premiums and issuance costs, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(216,836)
Change in net assets of governmental activities	\$ <u>(902,058)</u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
ASSETS				
CURRENT ASSETS				
Cash	\$ 714,202	\$ 303,987	\$ 98,994	\$ 1,117,183
Investments	0	1,408,527	0	1,408,527
Restricted Cash & Investments	30,000	0	0	30,000
Inventory	0	40,228	0	40,228
Accrued Interest Receivable	0	7,667	0	7,667
Accounts Receivable, Net of Allowance	81,281	60,459	0	141,740
Due from Other Funds	575	28,760	0	29,335
Receivable - Other	0	29,226	30,113	59,339
TOTAL CURRENT ASSETS	\$ 826,058	\$ 1,878,854	\$ 129,107	\$ 2,834,019
PROPERTY, PLANT, AND EQUIPMENT				
Land	\$ 120,000	\$ 28,000	\$ 0	\$ 148,000
Construction in Progress	8,612,229	0	0	8,612,229
Water & Sewer System	16,080,519	0	0	16,080,519
Furniture and Fixtures	0	0	315,917	315,917
Machinery and Equipment	0	146,692	764,531	911,223
Vehicles	0	3,225,701	19,559	3,245,260
Buildings & Improvements	0	172,099	110,102	282,201
Land Improvements	0	13,444	0	13,444
Less: Accumulated Depreciation	(2,767,928)	(2,274,107)	(573,545)	(5,615,580)
NET PROPERTY, PLANT, AND EQUIPMENT	\$ 22,044,820	\$ 1,311,829	\$ 636,564	\$ 23,993,213
TOTAL ASSETS	\$ 22,870,878	\$ 3,190,683	\$ 765,671	\$ 26,827,232

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
LIABILITIES				
SHORT-TERM LIABILITIES				
Accounts Payable	\$ 43,907	\$ 27,161	\$ 8,010	\$ 79,078
Retainage Payable	415,931	0	0	415,931
Due to Other Funds	0	0	887,850	887,850
Compensated Absences Payable	1,223	15,107	15,108	31,438
Vehicle Acquisition Plan Payable	0	12,693	0	12,693
Bonds Payable - RDA	26,824	0	0	26,824
Bond Anticipation Note	3,215,195	0	0	3,215,195
Capital Leases Payable	0	0	50,631	50,631
Accrued Interest Payable	27,599	0	0	27,599
Customer Deposits	1,350	0	0	1,350
TOTAL SHORT-TERM LIABILITIES	\$ 3,732,029	\$ 54,961	\$ 961,599	\$ 4,748,589
LONG-TERM LIABILITIES				
Compensated Absences Payable	1,222	15,107	15,107	31,436
OPEB Liability	0	108,088	21,618	129,706
Vehicle Acquisition Plan Payable	0	53,481	0	53,481
Bonds Payable - RDA	2,541,281	0	0	2,541,281
	0			
TOTAL LONG-TERM LIABILITIES	\$ 2,542,503	\$ 176,676	\$ 36,725	\$ 2,755,904
TOTAL LIABILITIES	\$ 6,274,532	\$ 231,637	\$ 998,324	\$ 7,504,493
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	16,261,520	1,245,655	585,933	18,093,108
Restricted for Debt Service	30,000	0	0	30,000
Unrestricted	304,826	1,713,391	(818,586)	1,199,631
TOTAL NET ASSETS	\$ 16,596,346	\$ 2,959,046	\$ (232,653)	\$ 19,322,739

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM	E911 FUND	TOTAL
OPERATING REVENUES				
Charges for Services	\$ 1,134,019	\$ 862,512	\$ 401,225	\$ 2,397,756
TOTAL OPERATING REVENUES	<u>\$ 1,134,019</u>	<u>\$ 862,512</u>	<u>\$ 401,225</u>	<u>\$ 2,397,756</u>
OPERATING EXPENSES				
Cost of Sales & Services	381,166	533,325	226,616	1,141,107
Personnel & Benefits	102,658	1,135,690	652,306	1,890,654
Administration	96,121	184,932	119,515	400,568
Depreciation	475,898	320,887	79,518	876,303
TOTAL OPERATING EXPENSES	<u>\$ 1,055,843</u>	<u>\$ 2,174,834</u>	<u>\$ 1,077,955</u>	<u>\$ 4,308,632</u>
OPERATING INCOME (LOSS)	<u>\$ 78,176</u>	<u>\$ (1,312,322)</u>	<u>\$ (676,730)</u>	<u>\$ (1,910,876)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	4,701	30,548	666	35,915
Interest Expense	(129,843)	0	(3,869)	(133,712)
RDA Grant	1,581,936	0	0	1,581,936
CDBG Block Grant	880,030	0	0	880,030
Government Subsidies	0	1,354,216	0	1,354,216
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 2,336,824</u>	<u>\$ 1,384,764</u>	<u>\$ (3,203)</u>	<u>\$ 3,718,385</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>\$ 2,415,000</u>	<u>\$ 72,442</u>	<u>\$ (679,933)</u>	<u>\$ 1,807,509</u>
TRANSFERS				
Transfers In	0	216,428	679,932	896,360
TOTAL TRANSFERS	<u>\$ 0</u>	<u>\$ 216,428</u>	<u>\$ 679,932</u>	<u>\$ 896,360</u>
NET INCOME (LOSS)	<u>\$ 2,415,000</u>	<u>\$ 288,870</u>	<u>\$ (1)</u>	<u>\$ 2,703,869</u>
NET ASSETS, Beginning of Year	14,181,346	2,670,176	(232,652)	16,618,870
NET ASSETS, End of Year	<u><u>\$ 16,596,346</u></u>	<u><u>\$ 2,959,046</u></u>	<u><u>\$ (232,653)</u></u>	<u><u>\$ 19,322,739</u></u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,140,253	\$ 906,877	\$ 394,391	\$ 2,441,521
Cash Payments to Suppliers for Goods and Services	(539,635)	(875,550)	(390,215)	(1,805,400)
Cash Payments to and for Employee's Benefit	(102,658)	(1,086,942)	(644,280)	(1,833,880)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 497,960	\$ (1,055,615)	\$ (640,104)	\$ (1,197,759)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Grants	0	673,162	0	673,162
Payments Received from Other Funds	0	216,428	679,932	896,360
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 0	\$ 889,590	\$ 679,932	\$ 1,569,522
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants Received	2,461,966	794,237	0	3,256,203
Property, Plant and Equipment Additions	(5,507,208)	(686,802)	0	(6,194,010)
Principal Payment Revenue Bonds	(21,964)	0	0	(21,964)
Principal Payment Bond Anticipation Note	(2,102,000)	0	0	(2,102,000)
Bond Anticipation Note Proceeds	3,215,195	0	0	3,215,195
Revenue Bond Proceeds	2,102,000	0	0	2,102,000
Principal Payment Capital Leases	0	0	(48,171)	(48,171)
Interest Paid	(134,136)	0	(3,869)	(138,005)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ 13,853	\$ 107,435	\$ (52,040)	\$ 69,248
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	0	(33,495)	0	(33,495)
Interest Received	5,141	33,495	666	39,302
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 5,141	\$ 0	\$ 666	\$ 5,807
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ 516,954	\$ (58,590)	\$ (11,546)	\$ 446,818
CASH AND CASH EQUIVALENTS, Beginning of Year	227,248	362,577	110,540	700,365
CASH AND CASH EQUIVALENTS, End of Year	\$ 744,202	\$ 303,987	\$ 98,994	\$ 1,147,183
CASH AND CASH EQUIVALENTS, End of Year				
Cash	714,202	303,987	98,994	1,117,183
Cash Restricted	30,000	0	0	30,000
TOTAL CASH AND CASH EQUIVALENTS, End of Year	\$ 744,202	\$ 303,987	\$ 98,994	\$ 1,147,183

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER & SEWER FUND	WILLIAMSBURG COUNTY TRANSIT SYSTEM FUND	E911 FUND	TOTAL
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 78,176	\$ (1,312,322)	\$ (676,730)	\$ (1,910,876)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	475,898	320,887	79,518	876,303
(Increase) Decrease in Accounts and Other Receivables	7,946	(44,365)	(6,834)	(43,253)
(Increase) Decrease in Inventory	0	5,678	0	5,678
Increase (Decrease) in Due to General Fund	(216)	(67,732)	(51,941)	(119,889)
Increase (Decrease) in Accounts Payable	(53,480)	(6,509)	7,857	(52,132)
Increase (Decrease) in Salaries and Compensated Absences Payable	(159)	48,748	8,026	56,615
Increase (Decrease) in Customer Deposits	(10,205)	0	0	(10,205)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 497,960	\$ (1,055,615)	\$ (640,104)	\$ (1,197,759)
NON CASH TRANSACTIONS				
State Vehicle Acquisition Plan	\$ 0	\$ 12,693	\$ 0	\$ 12,693
	<u>\$ 0</u>	<u>\$ 12,693</u>	<u>\$ 0</u>	<u>\$ 12,693</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	<u>AGENCY FUNDS</u>	<u>REVOLVING LOAN TRUST FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 2,355,360	\$ 222,103	\$ 2,577,463
Note Receivable	<u>0</u>	<u>931,189</u>	<u>931,189</u>
TOTAL ASSETS	\$ <u>2,355,360</u>	\$ <u>1,153,292</u>	\$ <u>3,508,652</u>
LIABILITIES			
Due to Other Taxing Units	1,746,023	0	1,746,023
Due to Estate & Trust Beneficiaries	219,141	0	219,141
Due to Others	111,125	0	111,125
Due to Bidders & Redeemers of Land Sales	212,462	0	212,462
Due to Fine Recipients and Bond Payors	13,242	0	13,242
Due to Support Recipients	8,499	0	8,499
Due to Seized Asset Recipient	<u>44,868</u>	<u>0</u>	<u>44,868</u>
TOTAL LIABILITIES	\$ <u>2,355,360</u>	\$ <u>0</u>	\$ <u>2,355,360</u>
NET ASSETS			
Held in Trust for Other Purposes	<u>\$ 0</u>	<u>\$ 1,153,292</u>	<u>\$ 1,153,292</u>

The Accompanying Notes are an Integral Part of this Statement

WILLIAMSBURG COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	REVOLVING LOAN TRUST FUND
ADDITIONS	
Program Income	\$ 39,283
Interest Income	<u>193</u>
TOTAL ADDITIONS	\$ <u>39,476</u>
DEDUCTIONS	
Economic Development Loans Payments	<u>39,283</u>
TOTAL DEDUCTIONS	\$ <u>39,283</u>
CHANGE IN NET ASSETS	\$ 193
NET ASSETS, Beginning of Year	<u>1,153,099</u>
NET ASSETS, End of Year	\$ <u><u>1,153,292</u></u>

The Accompanying Notes are an Integral Part of this Statement

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Williamsburg County, South Carolina have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The State of South Carolina established the County under the provisions of the South Carolina Home Rule Act. Williamsburg County operates under the Council - Supervisor form of government and provides the following services: general administrative services, public safety, courts, highways and streets, sanitation, health and human services, culture and recreation programs, public improvements and other miscellaneous services. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered financially accountable or for which exclusion of a component unit would render the financial statements incomplete or misleading. The County's combined financial statements include the accounts of all County Operations and those organizations that meet the criteria pursuant to Governmental Accounting Board Statement No. 14, "The Financial Reporting Entity."

- A. The organization is legally separate.
- B. The County holds the corporate powers of the organization.
- C. The County appoints a voting majority of the organization.
- D. The County is able to impose its will on the organization.
- E. The organization has the potential to impose a financial benefit or burden on the County.
- F. There is fiscal dependency by the organization on the County.

Based upon the aforementioned criteria, the County has included Williamsburg County Library as a discretely presented component unit. The discretely presented component unit is included since it is fiscally dependent upon the County for the annual appropriations, approval of annual operating budgets, and the authorization of general obligation debt issues. A discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. The discretely presented component unit has a June 30 year-end. Separate financial statements for this component unit may be obtained from the entity's management.

Discretely Presented Component Unit

Williamsburg County Library
215 North Jackson
Kingstree, SC 29556
Telephone (843) 355-9486

The South Carolina Legislature created the Williamsburg County Library System in 1967 as part of Williamsburg County Government. Its purpose is to provide library services to the citizens of Williamsburg County and bookmobile services to the rural areas of the County. The library operates under a nine member Board of Trustees that is appointed by the County Council. In addition to providing significant annual appropriations to finance the operations of the Library, County Council approves its budget and all general obligation debt.

B. Government-Wide and Fund Financial Statements

The financial statement presentation for the County meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The financial statement presentation provides a comprehensive, entity-wide perspective of the County's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units*

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been eliminated from the statement of activities. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

General Fund: The general fund is the primary operating fund of the County. The general fund accounts for all financial resources except those that are required to be reported in another fund.

Rural Fire Fund: The rural fire fund is a special revenue fund which accounts for the rural fire district revenues and expenditures.

Landfill Fund: The landfill fund is a special revenue fund which accounts for the proceeds of specific revenue sources that are collected for the purpose of providing landfill services to Williamsburg County. The landfill fund is responsible for collecting required funds for the closure and postclosure costs of the landfill.

Debt Service Fund: The debt service fund accounts for proceeds that are restricted for the purpose of debt payments.

The County reports the following major proprietary funds:

Water & Sewer (Enterprise Fund): The water & sewer fund is used to account for the cost of providing water & sewer services to unincorporated areas of the County.

Williamsburg County Transit System: The Williamsburg County Transit System fund is used to account for the cost of providing transportation services to the citizens of Williamsburg County.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E911 Fund: The E911 fund is used to account for the cost of providing emergency services to the citizens of Williamsburg County.

Additionally, the County reports the following fund types:

Agency Fund: This fund is used to report resources held by the County in a custodial capacity as an agent on behalf of others and does not involve the measurement of results of operation.

Private-Purpose Trust Fund: This fund is used to account for resources legally held in trust for revolving loans. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services for water and sewer fees, the revenues received for operating the Williamsburg County Transit System, and the revenues received for operating the E-911 fund. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collaterally secured, and repurchase agreements secured by the foregoing obligations.

The County's cash investment objectives are preservation of capital, liquidity and yield. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," all investments are reported at their fair values. The County has no investments at this time reported at amortized cost.

The County has certain funds invested with the South Carolina State Treasurer's Office, which established the South Carolina Local Government Investment Pool Fund (the "Pool") pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

F. Receivables

All accounts and property tax receivables are shown at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. This amount is determined by analyzing the percentage of receivables that was not collected in prior years.

Property taxes for real property and personal property except motor vehicles are due without penalties by January 15th of each fiscal year. Uncollected taxes and penalties are considered delinquent on March 15th. Property taxes for motor vehicles are due in the month in which the state motor vehicle license will be renewable. Property tax revenues are recognized in accordance with imposed nonexchange transactions in accordance with GASB No. 33.

G. Inventories

The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The amount of inventories on hand at year end for the governmental fund types consist of gasoline and diesel fuel. Inventories are valued at cost using the average cost method.

H. Restricted Assets

Certain assets of landfill revenue, debt service, and enterprise funds are classified as restricted on the balance sheet because their use is limited to specific purposes for which the funds were received.

I. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure was subject to an extended implementation period.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Construction in progress represents funds expended for construction of capital assets which have not been placed into service yet.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant, and equipment of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Land Improvements	15-20
Buildings	30-40
Building Improvements	15-40
Leasehold Improvements	15-20
Furniture & Fixtures	3-15
Machinery & Equipment	5-15
Vehicles	3-10
Communication Equipment	15
Infrastructure	20

Depreciation for capital assets that can be specifically identified with a function is included in the direct expenses for that function.

J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Deferred Revenues

Deferred revenues arise when a potential revenue does not meet the criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the government has a legal claim to the resources, or the revenue has been earned, the liability is removed and revenue is recognized.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium, discount, and deferred refunding costs. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Nonexchange Transactions

The standards established by GASB Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*", provide accounting and reporting for the following four categories of nonexchange transactions: 1) Derived tax revenues, 2) Imposed nonexchange revenues, 3) Government-mandated nonexchange transactions, and 4) Voluntary nonexchange transactions. Nonexchange transactions involve financial or capital resources in which the government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.

Assets from Derived Tax Revenues are recognized when the underlying exchange has occurred or when the resources are received, whichever first. Revenues are recognized when the underlying exchange has occurred and resources are available to the government.

Assets from Imposed Nonexchange Revenues are recognized when an enforceable legal claim has arisen or when resources are received, whichever occurs first. Revenues are recognized when resources are required to be used or the first period that use is permitted. Resources must also be available to the government.

Assets, liabilities, revenues, and expenditures from Government-Mandated and Voluntary Nonexchange Transactions are generally recognized when all eligibility requirements have been met.

Resources received before the eligibility requirements are fulfilled are reported as deferred revenues. Eligibility requirements can include one or more of the following:

1. The recipient has the characteristics specified by the provider.
2. Time requirements specified by the provider have been met.
3. The provider offers resources on a reimbursement basis and allowable costs have been incurred under the applicable program.
4. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

N. Net Assets/Fund Balances

The County's net assets in the government-wide financial statements and proprietary fund financial statements are classified as follows:

Invested in Capital Assets, Net of Related Debt: This represents the County's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted Net Assets: Restricted expendable net assets include resources in which the County is legally or contractually obligated to spend in accordance with restrictions imposed by third parties.

Unrestricted Net Assets: Unrestricted net assets represent resources derived from ad valorem taxes, earnings on investments, state/local grants, fees, and shared revenues.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 2 - DEPOSITS AND INVESTMENTS

At year end, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Local Government Investment Pool	\$ <u>3,431,206</u>
Total Investments	\$ <u><u>3,431,206</u></u>

Interest rate risk is the risk that a change in interest rate will cause the fair value of a government's financial instruments to drop or will negatively affect the government's cash flows. The County's investment policy does not address interest rate risk.

Credit risk is the risk that the counterparty will not meet its obligations. The County's investment policy does not address credit risk but limits its investments to obligations of the United States and its agencies, general obligations of South Carolina and its political subdivisions, savings and loan associations if their deposits are insured by an agency of the federal government, certificates of deposits insured by obligations of the United States or general obligation bonds of the State of South Carolina or its political subdivisions, and repurchase agreements when collateralized by United States obligations.

Concentration of credit risk - the County's investment policy does not address concentration of credit risk.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to the County. The County's investment policy requires deposits to be insured by the federal government or its agencies or collaterally secured by the federal government or its agencies. As of June 30, 2010, the County's bank balance was \$10,178,085 and the carrying value was \$8,845,963. Of the bank balance \$10,178,085, the amount that was exposed to custodial credit risk totaled \$7,369,274. Deposits totaling \$4,712,116 were uninsured and collateralized with securities held by the pledging financial institution or its agent but not in the County's name. The bank balance of \$2,657,158 was uninsured and collateralized with securities held by the pledging financial institution or its agent in the County's name.

Custodial credit risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The deposit and investment policy of the County adheres to State statutes and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits or savings accounts, certificates of deposits, or repurchase agreements.

Reconciliation of Cash and Investments to Fund Financial Statements

Cash and Investments	
Cash and Investments	\$ 8,849,875
Restricted Cash and Investments	3,431,206
Total Cash and Investments	\$ <u><u>12,281,081</u></u>
 Petty Cash	 \$ 3,912
Deposits Carrying Value	8,845,963
Investments	3,431,206
Total Cash and Investments	\$ <u><u>12,281,081</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Component Unit Cash and Investments

The carrying value of deposits for Williamsburg County Library totaled \$130,580, which were insured by the Federal Depositors Insurance Corporation.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2010 consist of the following:

	Governmental-Type Activities	Business-Type Activities	Total
Taxes Receivable, Net	\$ 1,150,897	\$ 0	\$ 1,150,897
Accounts Receivable, Net	0	141,740	141,740
Due From Others	512,895	0	512,895
Due From State Government	1,520,499	0	1,520,499
Court Fines Receivable, Net	86,048	0	86,048
Interest Receivable	0	7,667	7,667
Other Receivables	<u>1,406,532</u>	<u>59,339</u>	<u>1,465,871</u>
Total Receivables	\$ <u>4,676,871</u>	\$ <u>208,746</u>	\$ <u>4,885,617</u>

Taxes receivable in the governmental activities are reported net of allowance for uncollectible tax of \$520,850. Court fines receivable are reported net of an allowance for uncollectible fines of \$390,262 in the governmental activities. Ambulance fees are reported net of an allowance for uncollectible fees of \$855,900. Accounts receivable in the business-type activities have been reported net of allowance for uncollectible accounts of \$6,164. Accounts receivable in the governmental funds have been reported net of allowance for uncollectible accounts of \$72,683.

Property taxes receivable that do not meet the availability requirement have been recorded as deferred revenue in the fund financial statements.

NOTE 4 - RESTRICTED ASSETS

The County has recorded cash and investments as restricted in the amount of \$4,811,345 in the governmental funds for special fees collected to fund the closure and post-closure cost of the landfill in the amount of \$3,440,772 and \$1,132,955 received by the debt service fund to meet debt service reserve requirements and \$107,609 general obligation bond proceeds restricted for capital improvements for fire stations. The County has recorded cash and investments of \$130,009 as restricted for lease purchases. The restricted cash in the business-type activities is the required restriction for debt service for outstanding Rural Development Bonds.

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

Governmental Activities:				
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being Depreciated				
Land	\$ 1,829,225	\$ 0	\$ 0	\$ 1,829,225
Total, not being Depreciated	\$ 1,829,225	\$ 0	\$ 0	\$ 1,829,225
Capital Assets, being Depreciated:				
Land Improvements	\$ 5,482,473	\$ 103,000	\$ 0	\$ 5,585,473
Road and Bridges	4,851,668	192,430	0	5,044,098
Buildings	6,255,614	522,600	0	6,778,214
Building Improvements	4,799,023	0	0	4,799,023
Leasehold Improvements	428,321	113,556	0	541,877
Furniture & Fixtures	1,657,815	0	0	1,657,815
Machinery & Equipment	3,035,853	156,092	0	3,191,945
Automotive Equipment	7,489,241	2,061,973	0	9,551,214
Communication Equipment	285,025	0	0	285,025
Total, being Depreciated	\$ 34,285,033	\$ 3,149,651	\$ 0	\$ 37,434,684
Less Accumulated Depreciation for:				
Land Improvements	\$ (2,152,318)	\$ (261,753)	\$ 0	\$ (2,414,071)
Road and Bridges	(1,589,111)	(333,858)	0	(1,922,969)
Buildings	(2,472,024)	(173,731)	0	(2,645,755)
Building Improvements	(2,497,763)	(153,777)	0	(2,651,540)
Leasehold Improvements	(236,732)	(24,069)	0	(260,801)
Furniture & Fixtures	(810,385)	(64,890)	0	(875,275)
Machinery & Equipment	(2,652,122)	(250,181)	0	(2,902,303)
Automotive Equipment	(6,068,285)	(890,192)	0	(6,958,477)
Communication Equipment	(60,564)	(19,944)	0	(80,508)
Total Accumulated Depreciation	\$ (18,539,304)	\$ (2,172,395)	\$ 0	\$ (20,711,699)
Total, being Depreciated, Net	\$ 15,745,729	\$ 977,256	\$ 0	\$ 16,722,985
Total Governmental Activities, Net	\$ 17,574,954	\$ 977,256	\$ 0	\$ 18,552,210

Capital Asset additions in the governmental funds totaled \$3,149,651, and the current year depreciation expense totaled \$2,172,395.

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being Depreciated:				
Land	\$ 148,000	\$ 0	\$ 0	\$ 148,000
Construction in Progress	2,973,224	5,639,005	0	8,612,229
Total, not being Depreciated	\$ 3,121,224	\$ 5,639,005	\$ 0	\$ 8,760,229
Capital Assets, being Depreciated:				
Land Improvements	\$ 13,444	\$ 0	\$ 0	\$ 13,444
Buildings	194,731	0	0	194,731
Building Improvements	87,470	0	0	87,470
Water Distribution System	15,796,385	284,134	0	16,080,519
Furniture & Fixtures	315,917	0	0	315,917
Machinery & Equipment	197,163	5,137	0	202,300
Automotive Equipment	2,667,981	681,665	104,386	3,245,260
Communication Equipment	708,923	0	0	708,923
Total, being Depreciated	\$ 19,982,014	\$ 970,936	\$ 104,386	\$ 20,848,564
Less Accumulated Depreciation for:				
Land Improvements	\$ (13,444)	\$ 0	\$ 0	\$ (13,444)
Buildings	(161,271)	(5,758)	0	(167,029)
Building Improvements	(40,196)	(4,647)	0	(44,843)
Water Distribution System	(2,292,030)	(475,899)	0	(2,767,929)
Furniture & Fixtures	(196,067)	(19,645)	0	(215,712)
Machinery & Equipment	(105,454)	(15,476)	0	(120,930)
Automotive Equipment	(1,827,896)	(307,617)	104,386	(2,031,127)
Communication Equipment	(207,305)	(47,261)	0	(254,566)
Total Accumulated Depreciation	\$ (4,843,663)	\$ (876,303)	\$ 104,386	\$ (5,615,580)
Total, being Depreciated, Net	\$ 15,138,351	\$ 94,633	\$ 0	\$ 15,232,984
Total Business-Type Activities, Net	\$ 18,259,575	\$ 5,733,638	\$ 0	\$ 23,993,213

The capital asset additions of business-type activities totaled \$6,609,941 and depreciation expense in business-type activities totaled \$876,303. Assets totaling \$104,386 were disposed of during the year that had accumulated depreciation of \$104,386.

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Construction in Progress totaling \$8,612,229 at June 30, 2010 represents funds expended on the following water and sewer improvements:

	<u>CIP</u>	<u>Cost to Complete</u>	<u>Expected Completion</u>
S. Williamsburg Phase II	\$ 3,629,985	\$ 175,371	July 2010
Kingstree 377 Connector	528,825	220,026	January 2011
Lane Sewer Project	1,779,372	552,130	July 2010
Kingstree East Phase I	2,661,046	355,582	October 2010
Kingstree East Phase II	13,001	3,500,000	October 2011

Depreciation expense was charged to the following functions:

Governmental Activities:

General Government	\$ 116,426
Public Safety	882,658
Public Works	505,438
Health and Human Services	211,839
Economic Development	215,390
Environmental Services - Landfill	117,470
Cultural and Recreation	<u>123,174</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,172,395</u>

Business-Type Activities:

Water & Sewer Fund	\$ 475,898
Williamsburg County Transit System	320,887
E 911 Fund	<u>79,518</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 876,303</u>

Component Units:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Vehicles	\$ 131,600	\$ 0	\$ 0	\$ 131,600
Computer Equipment	187,751	0	0	187,751
Furniture & Fixtures	189,436	0	0	189,436
Total capital assets being depreciated	\$ 508,787	\$ 0	\$ 0	\$ 508,787
Less: Accumulated Depreciation	<u>(402,405)</u>	<u>(20,443)</u>	<u>0</u>	<u>(422,848)</u>
Net capital assets being depreciated	<u>\$ 106,382</u>	<u>\$ (20,443)</u>	<u>\$ 0</u>	<u>\$ 85,939</u>

Depreciation Expense was charged to the component unit as follows:

Cultural & Recreation	<u>\$ 20,443</u>
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WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Total assets purchased under capital leases are as follows:

	Governmental Activities	Business-Type Activities
Asset Cost	\$ 4,149,305	\$ 537,734
Less: Accumulated Depreciation	(3,411,721)	(179,245)
Totals	\$ <u>737,584</u>	\$ <u>358,489</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2010, interfund receivables and payables resulting from various interfund transactions were as follows. All balances are expected to be repaid within the following year.

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,890,076	\$ 0
Rural Fire Fund	24,866	0
Landfill Fund	0	771,315
Other Governmental Funds	149,547	123,302
Debt Service Fund	0	311,357
Williamsburg County Transit System Fund	28,760	0
E911 Fund	0	887,850
Water & Sewer	575	0
Totals	\$ <u>2,093,824</u>	\$ <u>2,093,824</u>

NOTE 7 - CAPITAL LEASES

The County's governmental activities have four (4) lease purchase agreements and its business-type activities have one (1) lease purchase agreement. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, are as follows:

	Governmental Activities	Business-Type Activities	Total
2011	\$ 921,286	\$ 52,010	\$ 973,296
2012	429,943	0	429,943
2013	213,437	0	213,437
Total Minimum Lease Payments	\$ 1,564,666	\$ 52,010	\$ 1,616,676
Less: Amount Representing Interest	(73,705)	(1,379)	(75,084)
Totals	\$ <u>1,490,961</u>	\$ <u>50,631</u>	\$ <u>1,541,592</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 8 - LONG-TERM DEBT

Following is a summary of changes in long-term liabilities during the year ended June 30, 2010:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 6,016,666	\$ 0	\$ (587,663)	\$ 5,429,003	\$ 609,519
Plus Unamortized Premium	18,749	0	(1,705)	17,044	0
Bond Anticipation Notes	<u>1,585,712</u>	<u>0</u>	<u>(185,712)</u>	<u>1,400,000</u>	<u>1,400,000</u>
Total Bonds Payable	\$ 7,621,127	\$ 0	\$ (775,080)	\$ 6,846,047	\$ 2,009,519
Landfill Closure Cost	6,656,472	174,572	(75,000)	6,756,044	655,000
Capital Leases	1,956,428	415,000	(880,467)	1,490,961	874,347
Claims and Judgments	229,864	229,052	(11,595)	447,321	0
Compensated Absences	<u>546,020</u>	<u>660,226</u>	<u>(546,020)</u>	<u>660,226</u>	<u>330,113</u>
Totals	<u>\$ 17,009,911</u>	<u>\$ 1,478,850</u>	<u>\$ (2,288,162)</u>	<u>\$ 16,200,599</u>	<u>\$ 3,868,979</u>

Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Revenue Bonds	\$ 488,069	\$ 2,102,000	\$ (21,964)	\$ 2,568,105	\$ 26,824
Bond Anticipation Notes	<u>2,102,000</u>	<u>3,215,195</u>	<u>(2,102,000)</u>	<u>3,215,195</u>	<u>3,215,195</u>
Total Bonds Payable	\$ 2,590,069	\$ 5,317,195	\$ (2,123,964)	\$ 5,783,300	\$ 3,242,019
Capital Leases	98,802	0	(48,171)	50,631	50,631
Vehicle Acquisition Plan	78,868	0	(12,694)	66,174	12,693
Claims and Judgments	65,784	63,922	0	129,706	0
Compensated Absences	<u>70,181</u>	<u>62,874</u>	<u>(70,181)</u>	<u>62,874</u>	<u>31,438</u>
Totals	<u>\$ 2,903,704</u>	<u>\$ 5,443,991</u>	<u>\$ (2,255,010)</u>	<u>\$ 6,092,685</u>	<u>\$ 3,336,781</u>

Component Unit:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Williamsburg County Library					
Claims and Judgments	\$ 5,460	\$ 5,327	\$ 0	\$ 10,787	\$ 0
Compensated Absences	<u>12,333</u>	<u>12,677</u>	<u>(12,333)</u>	<u>12,677</u>	<u>12,677</u>
Totals	<u>\$ 17,793</u>	<u>\$ 18,004</u>	<u>\$ (12,333)</u>	<u>\$ 23,464</u>	<u>\$ 12,677</u>

Payments on bonds and capital leases that pertain to the governmental activities will be made by the debt service fund. Payments made for landfill closure cost will be made from the landfill fund. The compensated absences liability attributed to the governmental activities will be liquidated by the general fund and will be charged to the other funds based on management's assessment of the appropriate cost objective.

Claims and judgement liabilities will generally be liquidated through the County's general fund. That fund will finance the payment of those claims and judgements by charging the other funds based on management's assessment of the appropriate cost objective.

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 8 - LONG-TERM DEBT (CONTINUED)

On September 1, 2004, Williamsburg County issued General Obligation Bonds of \$3,275,000 which include a current refunding of the Rural Fire Bonds of 1990, General Obligation Bonds of 1990, General Obligation Bonds of 1994, and General Obligation Bonds of 1996. The bonds were refunded at book value. The bonds are not considered as part of the County's legal debt limit as the Rural Fire Bonds are part of the Rural Fire District.

Annual debt service requirements to maturity for obligations outstanding at June 30, 2010 are as follows:

General Obligation Bonds of 2004 (Issued 9/1/04)

Maturity Date September 1, 2020

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest Sept. 1	Interest March 1	Total Annual Payments
2011	3.00%	\$ 2,280,000	\$ 140,000	\$ 44,147	\$ 44,148	\$ 228,295
2012	3.00%	2,140,000	150,000	41,698	41,697	233,395
2013	3.25%	1,990,000	160,000	39,074	39,074	238,148
2014	3.25%	1,830,000	235,000	36,272	36,273	307,545
2015	3.50%-4.00%	1,595,000	245,000	32,043	32,043	309,085
2016-2020	4.00%-4.10%	1,350,000	1,350,000	83,011	83,012	1,516,023
Totals			<u>\$ 2,280,000</u>	<u>\$ 276,245</u>	<u>\$ 276,246</u>	<u>\$ 2,832,491</u>

General Obligation Bonds of 1998 (Issued 06/01/98)

Maturity Date June 1, 2013

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest December 1	Total Annual Payments
2011	5.50%	\$ 200,000	\$ 66,665	\$ 11,100	\$ 77,765
2012	5.50%	133,335	66,665	7,400	74,065
2013	5.50%	66,670	66,670	3,703	70,373
Totals			<u>\$ 200,000</u>	<u>\$ 22,203</u>	<u>\$ 222,203</u>

General Obligation Bonds of 1999 (Issued 07/18/99)

Maturity Date July 18, 2014

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest December 1	Interest June 1	Total Annual Payments
2011	4.400%	\$ 890,000	\$ 205,000	\$ 20,025	\$ 20,025	\$ 245,050
2012	4.400%	685,000	215,000	15,413	15,412	245,825
2013	4.400%	470,000	230,000	10,575	10,575	251,150
2014	4.400%	240,000	240,000	5,400	5,400	250,800
Totals			<u>\$ 890,000</u>	<u>\$ 51,413</u>	<u>\$ 51,412</u>	<u>\$ 992,825</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Bond Anticipation Loans (Issued 06/04/10)

Maturity Date June 3, 2011

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest June 3	Total Annual Payments
2011	2.60%	\$ 1,400,000	\$ 1,400,000	\$ 36,400	\$ 1,436,400
Totals			\$ 1,400,000	\$ 36,400	\$ 1,436,400

General Obligation Bonds of 2009 (Issued 04/01/09)

Maturity April 1, 2019

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest April 1	Total Annual Payments
2011	3.59%	\$ 2,059,003	\$ 197,854	\$ 73,918	\$ 271,772
2012	3.59%	1,861,149	204,956	66,815	271,771
2013	3.59%	1,656,193	212,314	59,457	271,771
2014	3.59%	1,443,879	219,937	51,835	271,772
2015	3.59%	1,223,942	227,832	43,940	271,772
2016-2019	3.59%	996,110	996,110	90,976	1,087,086
Totals			\$ 2,059,003	\$ 386,941	\$ 2,445,944

The legal debt limit for the County is eight per centum of the assessed valuation of the taxable property in the County. Based on the 2010 assessed valuation of \$88,589,610 the legal debt limit is approximately \$7,087,000. At June 30, 2010, the County has general obligation bonds outstanding of \$2,290,000 subject to the legal debt limit.

Revenue Bonds of 2002 (Issued 05/17/02)

Maturity February 17, 2045

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2011	4.50%	\$ 447,290	\$ 5,833	\$ 20,627	\$ 26,460
2012	4.50%	441,457	6,101	20,359	26,460
2013	4.50%	435,356	6,381	20,079	26,460
2014	4.50%	428,975	6,674	19,786	26,460
2015	4.50%	422,301	6,981	19,479	26,460
2016-2020	4.50%	415,320	40,021	92,279	132,300
2021-2025	4.50%	375,299	50,098	82,202	132,300
2026-2030	4.50%	325,201	62,713	69,587	132,300
2031-2035	4.50%	262,488	78,504	53,796	132,300
2036-2040	4.50%	183,984	98,272	35,028	133,300
2041-2045	4.50%	85,712	85,712	23,438	109,150
Totals			\$ 447,290	\$ 456,660	\$ 903,950

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Revenue Bonds of 2002 (Issued 05/17/02)

Maturity February 17, 2042

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2011	4.50%	\$ 34,119	\$ 476	\$ 1,552	\$ 2,028
2012	4.50%	33,643	498	1,530	2,028
2013	4.50%	33,145	521	1,507	2,028
2014	4.50%	32,624	544	1,484	2,028
2015	4.50%	32,080	569	1,459	2,028
2016-2020	4.50%	31,511	3,266	6,874	10,140
2021-2025	4.50%	28,245	4,087	6,053	10,140
2026-2030	4.50%	24,158	5,115	5,025	10,140
2031-2035	4.50%	19,043	6,403	3,737	10,140
2036-2040	4.50%	12,640	8,014	2,126	10,140
2041-2042	4.50%	4,626	4,626	927	5,553
Totals			<u>\$ 34,119</u>	<u>\$ 32,274</u>	<u>\$ 66,393</u>

Revenue Bonds of 2009 (Issued 12/10/08)

Maturity October 17, 2049

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2011	4.375%	\$ 2,086,696	\$ 20,515	\$ 90,977	\$ 111,492
2012	4.375%	2,066,181	21,430	90,062	111,492
2013	4.375%	2,044,751	22,387	89,105	111,492
2014	4.375%	2,022,364	23,387	88,105	111,492
2015	4.375%	1,998,977	24,430	87,062	111,492
2016-2020	4.375%	1,974,547	139,516	417,944	557,460
2021-2025	4.375%	1,835,031	173,559	383,901	557,460
2026-2030	4.375%	1,661,472	215,913	341,547	557,460
2031-2035	4.375%	1,445,559	268,602	288,858	557,460
2036-2040	4.375%	1,176,957	334,145	223,315	557,460
2041-2045	4.375%	842,812	415,686	141,774	557,460
2046-2050	4.375%	427,126	427,126	102,803	529,929
Totals			<u>\$ 2,086,696</u>	<u>\$ 2,345,453</u>	<u>\$ 4,432,149</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Williamsburg County obtained interim financing for two waterworks improvement projects that will be completed in fiscal year 2011 and refinanced with Rural Development Revenue Bonds.

2010B Waterworks System Revenue Bond Anticipation Note

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2011	3.00%	\$ 2,532,455	\$ 2,532,455	\$ 75,974	\$ 2,608,429
Totals			<u>\$ 2,532,455</u>	<u>\$ 75,974</u>	<u>\$ 2,608,429</u>

2010A Waterworks System Improvement Bond Anticipation Note

Fiscal Year Ending	Interest Rate	Balance	Principal	Interest	Total Annual Payments
2011	2.50%	\$ 682,740	\$ 682,740	\$ 17,069	\$ 699,809
Totals			<u>\$ 682,740</u>	<u>\$ 17,069</u>	<u>\$ 699,809</u>

The annual requirements to amortize bond anticipation notes, general obligation and revenue bonds, vehicle acquisition plan payments, and capital leases, as of June 30, 2010 are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 2,883,866	\$ 296,702	\$ 3,180,568	\$ 3,305,344	\$ 207,578	\$ 3,512,922
2012	1,046,776	208,223	1,254,999	40,723	111,951	152,674
2013	875,443	169,436	1,044,879	41,983	110,691	152,674
2014	694,937	135,180	830,117	43,299	109,375	152,674
2015	472,832	108,025	580,857	44,674	108,000	152,674
2016-2020	2,346,110	256,999	2,603,109	185,507	517,097	702,604
2021-2025	0	0	0	227,744	472,156	699,900
2026-2030	0	0	0	283,741	416,159	699,900
2031-2035	0	0	0	353,509	346,391	699,900
2036-2040	0	0	0	440,431	260,469	700,900
2041-2045	0	0	0	506,024	166,139	672,163
2046-2050	0	0	0	427,126	102,803	529,929
Totals	<u>\$ 8,319,964</u>	<u>\$ 1,174,565</u>	<u>\$ 9,494,529</u>	<u>\$ 5,900,105</u>	<u>\$ 2,928,809</u>	<u>\$ 8,828,914</u>

NOTE 9 - OPERATING LEASES

The County was engaged in a 2-year noncancelable operating lease of an office building used for social services, which expired in November 2007 at a monthly lease payment of \$13,500. Rental expense associated with the lease for the year ended June 30, 2010 is \$162,000 and is reflected by the County as current-general government expenditures. The County is currently continuing to rent the office building used for social services in the amount of \$13,500 per month on a month-by-month basis.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 10 - CONTINGENCIES

Grants: Amounts received or receivable from grantor agencies in previous years are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability to the general fund or other applicable funds.

Litigation: As of June 30, 2010, actions have been alleged against the County in which it has denied liability. Any liability would be covered by the Insurance Reserve Fund up to the policy limit. The outcome or the amount of recovery, if any, cannot be predicted with certainty. Accordingly, no liability has been recorded.

Unemployment Compensation: The County makes payments to the South Carolina Employment Security Commission on a reimbursement basis for costs incurred in the administration of the state unemployment compensation statutes. Claims incurred but not reported at June 30, 2010 are not determinable.

Other Commitments: County Council approved a loan of \$182,000 from the SBA revolving loan fund to South Carolina Shrimp Biotech, Inc. which was issued at November 19, 2008 at the Wall Street prime rate interest only for nine months and monthly payments of \$3,188.73 to begin on September 7, 2009. County Council approved a loan of \$520,650 from the revolving fund to Williamsburg County Development Corporation, which is a no interest, no recourse lease purchase transaction with a maturity date of October 15, 2010. County Council approved a loan of \$178,539 to the Performance Fabrics and Fibers, LLC with monthly payments of \$3,794 and a maturity date of December 15, 2010. This is a no interest and no recourse loan. The County Council approved a loan to Hemingway apparel in the amount of \$50,000 with a maturity date of December 31, 2010.

NOTE 11 - INTERFUND TRANSFER RECONCILIATION

Transfers are used to move certain revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. Transfers between the County's various funds are generally made to fund Council approved projects. A schedule of transfers is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,004,600	\$ 2,163,342
Rural Fire Fund	0	81,467
Debt Service Fund	343,803	1,004,600
Landfill Fund	0	27,256
Other Governmental Funds	1,266,983	235,081
Williamsburg County Transit Enterprise Fund	216,428	0
E-911 Enterprise Fund	<u>679,932</u>	<u>0</u>
Totals	<u>\$ 3,511,746</u>	<u>\$ 3,511,746</u>

NOTE 12 - DEFERRED COMPENSATION PLAN

Williamsburg County offers its employees two deferred compensation plans complying with IRC 457 and IRC 401(k). These plans are available to all County employees through the South Carolina State Treasurer's Office. The plans offer a variety of investment choices to the participant. The deferred compensation cannot be withdrawn by the participant until separation of employment, retirement, death, disability or an approved hardship.

In 1996, Congress passed new legislation to govern IRC Section 457 plans. Specifically, the new legislation concludes that a plan shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. During the year ended June 30, 1999, the South Carolina Deferred Compensation Commission modified their plan to comply with the new legislative requirements.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 12 - DEFERRED COMPENSATION PLAN (CONTINUED)

Governmental Accounting Standards Board's Statement No. 32 was issued to address the financial reporting ramifications of the new federal legislation and states that a fiduciary relationship must exist for a governmental entity to report the balances and transactions related to the plan in its financial statements. According to the provisions of the statement, it was determined that a fiduciary relationship did not exist for the County's IRC Section 457 plan, and likewise, its balance has not been recorded in the County's financial statements.

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

Williamsburg County contributes to the South Carolina Retirement System (SCRS) and to the Police Officers Retirement System (PORS). Title 9-1-480 Code of Laws of South Carolina, 1976 (as amended), states that all eligible persons, except those specifically excluded, shall become members of SCRS or PORS as a condition of their employment. The responsibility for administration of the system is assigned by law to the State Budget & Control Board.

SCRS and PORS are both maintained as a cost-sharing multiple-employer Public Employees Retirement System (PERS).

Generally all full-time employees who are responsible for the preservation of the public order are members of the PORS; the remaining County employees are members of the SCRS.

South Carolina Retirement System (SCRS): Covered general County employees participate in the SCRS, a cost-sharing, multiple-employer, defined benefit pension plan. The SCRS provides retirement and disability benefits, with cost of living adjustments on an ad hoc basis, life insurance benefits, and survivor benefits. Member employees currently contribute 6.50% of their annual compensation. The employer contribution is 9.39% of the total membership's annual compensation; included is the entire cost of group life insurance for covered employees at the rate of .15%.

Employees attaining the age of 65 or having 28 years of credited service are entitled to 1.82% of average final compensation. Other available benefits include group life insurance coverage after one year's membership, (immediate coverage if death is job related), disability coverage after five years' membership (immediate coverage if job related), vesting rights after five years' membership (with survivor allowance after 15 years creditable service or age 65). Benefit provisions are established under the authority of Title 9 of the SC Code of Laws.

The benefits at retirement are determined by the following formula: 1.82% of an employee's average final compensation multiplied by the number of years of credited service.

Police Officers Retirement System (PORS): Covered County employees (i.e. whose principal duties are the preservation of public order) are required to participate in the PORS, a cost-sharing, multiple-employer, defined benefit pension plan. The PORS provides both retirement and death benefits on an employee and employer contribution basis. Member employees currently contribute 6.5% of their annual compensation. The employer contribution is 11.05% of the total membership's annual compensation; included is the entire cost of group life insurance for covered employees at the rate of .20% and the entire cost of accidental death for covered employees at the rate of .20%. As a member of the PORS an employee can elect to retire after reaching age 55 with at least five years of credited service, or 25 years of service credit regardless of age. Another option available is when an employee has completed five years of credited service prior to age 55, they can retire yet defer their retirement allowance until they reach age 55. Other benefits include disability coverage after five years membership (immediate coverage if job related), group life insurance coverage after one year of credited service (immediate coverage if job related), accidental death program allowing a monthly pension equal to 50% of the member's budgeted compensation at the time of death, and vesting rights after five years membership. Benefit provisions are established under the authority of Title 9 of the SC Code of Laws.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The benefits at retirement are determined by the following formula: 2.14% of an employee's average final compensation multiplied by the number of years of credited service.

For fiscal year ended June 30, 2010:

Primary Government	Payroll	Contributions		
	Covered	Employee	Employer	Total
SCRS	\$ 6,815,537	\$ 443,010	\$ 639,979	\$ 1,082,989
PORS	2,610,549	169,686	288,466	458,152
Totals	<u>\$ 9,426,086</u>	<u>\$ 612,696</u>	<u>\$ 928,445</u>	<u>\$ 1,542,141</u>

Component Unit	Payroll	Contributions		
	Covered	Employee	Employer	Total
SCRS	\$ 185,221	\$ 12,040	\$ 17,392	\$ 29,432
Totals	<u>\$ 185,221</u>	<u>\$ 12,040</u>	<u>\$ 17,392</u>	<u>\$ 29,432</u>

Funding Policy: Both employers and employees are required to contribute to the plans under authority of Title 9 of the South Carolina Code of Laws. Employee required contributions to the plans are as follows:

SCRS 6.50% of Salary

Employers are required to contribute at the following actuarially determined rates:

SCRS Local Government 9.24%

In addition to the above rates participating employers of the South Carolina Retirement System contribute .15% of payroll to provide a group life insurance benefit for their participants.

Participating employers under the Police Officer Retirement System also contribute .2% of payroll to provide a group life insurance benefit and .2% of payroll to provide an accidental death benefit for their participants. All employers contribute at the actuarially required contribution rates.

Three Year Trend Information:

Primary Government Fiscal Year Ended	SCRS Annual Employer Contribution	PORS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/10	\$639,979	\$288,466	100%
06/30/09	\$613,542	\$270,858	100%
06/30/08	\$594,383	\$257,057	100%

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Component Unit Fiscal Year Ended	SCRS Annual Employer Contribution	Percentage Contributed For Current Year
06/30/10	\$17,932	100%
06/30/09	\$17,948	100%
06/30/08	\$13,612	100%

All contributions were equal to the required contributions for each year.

Ten-year historical trend information presenting the SCRS and PORS progress in accumulating sufficient assets to pay benefits when due is presented in the Component Unit Financial Report issued annually by the South Carolina Retirement Systems. A Comprehensive Annual Financial Report containing financial statements and required supplemental information for the South Carolina Retirement System and Police Officer Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits.

NOTE 14 - SOLID WASTE MUNICIPAL LANDFILL

The Resource Conservation And Recovery Act ("RCRA"), the federal regulations which address solid waste landfill closure, was amended with more stringent closure requirements for landfills that operate beyond October 1993. The South Carolina Solid Waste Policy and Management Act of 1991 set forth certain requirements for landfills. Pursuant to the Act, South Carolina Department of Health and Environmental Control promulgated regulations establishing performance standards for the closure and post closure care of landfills. Chapter 61-107.258.60 Subpart F establishes the criteria for closure and post-closure care of landfills in South Carolina.

State and federal laws and regulations require that Williamsburg County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the landfill closure and post closure care costs is based on the amount of landfill used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$5,587,325 as of June 30, 2010 which is based on 96.07% usage of the old landfill.

In conjunction with new regulations regarding closure requirements for C&D landfills, the County elected to account for C&D closure costs over the active life of the landfill similar to the costs recognition principles for municipal solid waste landfills. The current addition of \$105,653 represents the current year increase based on the percentage of usage during the current year. The total estimated closure cost of the C&D landfill is \$1,388,830 of which \$1,168,719 has been recorded as a liability which represents 84.15% usage of the landfill expansion.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 14 - SOLID WASTE MUNICIPAL LANDFILL (CONTINUED)

	Beginning Balance			Ending Balance
	(As Restated)	Additions	Retirements	
Estimated Liability for Closure & Post Closure				
Landfill	\$ 5,593,406	\$ 68,919	\$ (75,000)	\$ 5,587,325
C&D Landfill	1,063,066	105,653	0	1,168,719
Totals	<u>\$ 6,656,472</u>	<u>\$ 174,572</u>	<u>\$ (75,000)</u>	<u>\$ 6,756,044</u>

The estimated post closure cost of the landfill of \$6,034,280 and the estimated closure and post closure cost of the C&D landfill of \$1,338,830 are based on the amount that would be paid if all equipment, facilities, and service required to close, monitor, and maintain the landfill were acquired as of June 30, 2009. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The South Carolina Department of Health and Environmental Control (SCDHEC) has issued a permit to operate a sanitary landfill.

NOTE 15 - DEFERRED REVENUE

Deferred revenue in the general fund represents current year taxes which do not meet the availability criteria for recognition of \$505,342 and deferred court fines of \$50,013, and deferred ambulance fees of \$252,697 and grant funds of \$457,418.

Deferred revenue in the landfill special revenue funds represents current year taxes which do not meet the availability criteria for revenue recognition of \$107,132.

Deferred revenue in the debt service fund of \$144,126 represents taxes receivable which do not meet the availability criteria for revenue recognition.

Deferred revenue in the rural fire fund represents current year taxes which do not meet the availability criteria for revenue recognition of \$84,092.

Deferred revenue in the other governmental funds represent current year taxes that do not meet the criteria for recognition of \$6,170 and grant funds totaling \$3,245.

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The following Enterprise Funds have been created to provide various services to the general public:

Water & Sewer Fund - established to account for the operation of the County's water & sewer services.

Williamsburg County Transit Authority - established to account for transportation services provided to the general public.

E 911 Fund - established to account for the operation of the County's E-911 operations.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)

Segment information for these Enterprise Funds is summarized below for the year ended June 30, 2010:

	Water & Sewer Fund	Williamsburg County Transit System	E-911 Fund
Operating Revenues	\$ 1,134,019	\$ 862,512	\$ 401,125
Depreciation	475,898	320,887	79,518
Operating Income (Loss)	78,176	(1,312,322)	(676,730)
Interfund Transfers	0	216,428	679,932
Non-Operating Revenues (Expenses)	2,336,824	1,384,764	(3,203)
Net Income (Loss)	2,415,000	288,870	(1)
Property, Plant and Equipment			
Net Additions	5,447,241	365,915	(79,518)
Net Working Capital	(2,905,971)	1,823,893	(832,492)
Total Assets	22,870,878	3,190,683	765,671
Bonds and Other Long-Term Liabilities Payable			
from Revenues	2,542,503	176,676	36,725
Total Net Assets	16,596,346	2,959,046	(232,653)

NOTE 17 - RISK MANAGEMENT

The County and its component unit are exposed to various risks of loss and pay insurance premiums to certain State agencies and commercial insurers to cover risks that may occur in normal operations. Management believes such coverage is sufficient to preclude any significant losses for the covered risk. The County has not had a significant reduction in insurance in the last three years and has not had claims in excess of coverage in the last three years.

Several State funds accumulate assets and the State itself assumes substantially all risks for the following:

1. Claims of State employees for unemployment compensation benefits (Employment Security Commission).
2. Claims of covered employees for workers compensation benefits for job-related illnesses or injuries (State Accident Fund).
3. Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement Systems).

NOTE 18 - RELATED PARTY TRANSACTIONS

Williamsburg County Development Corporation is a non-profit organization and was established as a certified development company in accordance with Title V of the Small Business Investment Act of 1958, as amended. The County's accountability for this organization does not extend beyond the initial appointments to the Corporation's board. The County Supervisor and Chairman of County Council are members of this board.

Williamsburg County and the Town of Kingstree entered into an intergovernmental agreement in July 1999 to build a new library building. The building is used by the Library Commission, owned by the Town, and is leased indefinitely to the County for \$1 annually.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 19 - FUND BALANCE RESERVATIONS AND DESIGNATIONS

The following is a list of all reserves by the County and a brief description of each:

Reserve for Debt Service - an account used to restrict the fund balance of funds collected for the repayment of debts.

Reserve for Closure Costs - an account used to segregate a portion of fund balance to indicate funds collected to fund the closure and postclosure costs of the landfill does not represent available, spendable resources even though it is a component of current assets.

Reserve for Special Projects - an account used to segregate a portion of fund balance to indicate funds collected in these funds are restricted for specific purposes.

Reserve for Prepaid Expense - an account used to segregate a portion of fund balance to indicate that these funds do not represent available, spendable resources even though it is a component of current assets.

Reserve for Inventory - an account used to segregate a portion of fund balance to indicate that these funds do not represent available, spendable resources even though it is a component of current assets.

Reserved for Capital Projects - an account used to segregate a portion of fund balance to indicate that these funds are restricted for specific purposes.

The following net assets have been restricted as a result of enabling legislation in the government-wide statements:

Victim's Services	\$	14,361
Clerk of Court IVD Incentive		2,281
Sheriff Special Narcotics		3,222

NOTE 20 - SUBSEQUENT EVENTS

On July 21, 2010, Williamsburg County obtained a Tax Anticipation note in the amount of \$3,200,000 at an interest rate of 2.03% which matures on April 15, 2011.

On December 2, 2010, Williamsburg County obtained a lease purchase agreement in the amount of \$1,220,000.

On October 14, 2010, Williamsburg County issued the Waterworks and Sewer Improvement Revenue Bonds 2010A in the amount of \$684,000.

On October 14, 2010, Williamsburg County issued a Waterworks and Sewer Improvement Bonds in the amount of \$3,587,000.

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The County sponsors a single employer defined benefit health care plan (the "Plan") that provides medical and dental insurance for retirees under the medicare eligible age of 65. Employees who had 19 years of service to Williamsburg County as of July 1, 2009 are eligible. The plan is approved each year by County Council; the contribution requirements of the County and plan members are established and amended by Council. These contributions are neither guaranteed nor mandatory. Council retains the right to unilaterally modify its payments towards retiree health care benefits.

As of July 1, 2008, the measurement date, there were 56 covered participants, 1 retired participant, and 55 active participants. The County prospectively implemented GASB Statement No. 45 during the period ended June 30, 2009 to account for its annual post employment benefit cost. A stand alone financial report is not available.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Funding Policy

As of June 30, 2010, the County has not funded contributions to an irrevocable trust. In fiscal year 2010, the County contributed, County retirees contributed \$75 on a monthly basis for single health care and \$165.50 per month for employee/spouse. Retirees contributed \$7.50 for single dental coverage and \$16 per month for employee/spouse. The County contributed the remaining premium of \$11,595.

The County's annual other postemployment (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 20 years.

Annual OPEB Cost and Funded Status and Funding Progress

For 2010, the annual OPEB cost (expense) of \$292,974 for the plan was equal to the ARC. The following table shows the components of the County's annual OPEB cost for 2010.

Normal Cost	\$ 44,714
20 Year Amortization of Unfunded Accrued Liability	<u>248,260</u>
Total Annual Required ARC	<u>\$ 292,974</u>

Contribution as a percentage of Expected Payroll - 3%

Contributions made included \$11,595 by the County through payment of covered participant benefits.

The County's annual OPEB cost, the cost contributed to the plan and the net OPEB (obligation) for 2010 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/10	\$ <u>292,974</u>	<u>4.0%</u>	\$ <u>(577,027)</u>
06/30/09	\$ <u>300,307</u>	<u>1.5%</u>	\$ <u>(295,648)</u>

As of July 1, 2008, the most recent valuation date, the plan was not funded. The County implemented GASB Statement No. 45 in fiscal year ended June 30, 2009. The actuarial accrued liability for benefits was \$2,898,246, with no plan assets resulting in an unfunded accrued liability for benefits of \$2,898,246. The covered payroll (annual payroll of active employees covered by the plan) was \$1,883,275, and the ratio of the UAAL to the covered payroll was 65%.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Unprojected Unit Credit Actuarial Cost Method was used in the July 1, 2008, valuation. The actuarial assumptions included a 6% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 10%. The trend rate will decrease in 0.5% steps until it reaches 5% after eight years. Both rates included a 5% inflation assumption. The Plan's UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2010 was 18 years.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discretely Presented Component Unit

Plan Description

Williamsburg County Library participates in Williamsburg County's Single employer defined benefit health care plan (the Plan).

Funding Policy

The plan will be funded by making contributions into an irrevocable employee benefit trust in the amount at least equal to the annual required contribution (ARC). As of June 30, 2010, no contributions have been made to the employee benefit trust fund.

For 2010, the Library's implementation year for GASB Statement No. 45 the annual OPEB cost (expense) of \$5,327 for the plan was equal to the ARC and \$5,327 more than the amount actually contributed. The following table shows the components of the Library's annual OPEB cost for 2010.

Normal Cost	\$ 905
20 Year Amortization of Unfunded Accrued Liability	<u>4,422</u>
Total Annual Required Contribution	<u>\$ 5,327</u>

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB (obligation) liability for 2010 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/10	\$ <u>5,327</u>	<u>0</u>	\$ <u>10,787</u>
06/30/09	\$ <u>5,460</u>	<u>0</u>	\$ <u>5,460</u>

NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government wide statement of net assets. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$18,552,210 are as follows:

Capital Assets	\$ 39,263,909
Accumulated Depreciation	<u>(20,711,699)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 18,552,210</u>

WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)

Another element of that reconciliation is that "other long-term assets, such as property taxes, court fines, and ambulance fees are not available to pay for current period expenditures and, therefore, are deferred in the fund financial statements." The details of this \$1,149,572 are as follows:

Property Taxes deferred in Governmental Fund Statement	\$ 846,862
Ambulance fees deferred in Governmental Fund Statement	252,697
Court Fines deferred in Governmental Fund Statement	<u>50,013</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	\$ <u><u>1,149,572</u></u>

Another element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this (\$16,293,613) are as follows:

Bonds Payable	\$ (6,829,003)
Less: Deferred charge for issuance cost (to be amortized over life of debt)	140,851
Plus: Issuance premium (to be amortized as interest expense)	(17,044)
Accrued Interest Payable	(233,865)
Capital Leases Payable	(1,490,961)
Municipal Solid Waste Landfill Closure	
postclosure cost accrual	(6,756,044)
Post Employment Benefits Payable	(447,321)
Compensated Absences	<u>(660,226)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net assets - governmental activities	\$ <u><u>(16,293,613)</u></u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$977,256 are as follows:

Capital Outlay	\$ 3,149,651
Depreciation Expense	<u>(2,172,395)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u><u>977,256</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

Another element of that reconciliation explains that "Revenues in the statement of activities, such as property taxes and police fines that will not be collected for several months after year-end and do not provide for current financial resources, are not reported as revenues in the funds." The details of that element are as follows:

Police Fines	\$ 49,048
Ambulance Fees	61,000
Property Taxes	<u>180,676</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 290,724</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$1,049,777 are as follows:

Debt issued or incurred:	
Lease Purchase Obligation Proceeds	\$ (415,000)
Debt Issuance Costs	28,392
Post Employment Benefits	(229,052)
Principal repayments:	
General obligation debt	773,375
Post Employment Benefits Payments	11,595
Capital lease	<u>880,467</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,049,777</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE 22 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(CONTINUED)**

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this (\$216,836) are as follows:

Compensated absences	\$ (114,206)
Accrued Interest	29,062
Municipal Solid Waste Closure Postclosure Cost Accrual	(174,572)
Amortization of issuance costs	(33,825)
Amortization of bond premium	1,705
Municipal Solid Waste Closure Costs	<u>75,000</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u><u>(216,836)</u></u>

NOTE 23 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" which will become effective starting with the County's fiscal year ending June 30, 2011, financial statement reporting. This statement redefines the components of fund balance and establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds. The effect that implementation of Statement No. 54 will have on future financial statements has not yet been determined.

NOTE 24 - ECONOMIC DEPENDENCY

Williamsburg County collects property taxes from five taxpayers which represents 19% of total assessed valuation.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>
Martek	Bioscience Industry	6,499,859
Santee Electric	Electric Utility	4,281,220
DART Industries	Manufacturer	2,693,603
Carolina Power & Light	Electric Utility	2,305,660
CSV Transportation, Inc.	Railroad	1,344,656

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes	\$ 11,341,584	\$ 10,919,047	\$ 10,919,047	\$ 0
Fees, Licenses, & Permits	118,800	103,283	103,283	0
Fines & Forfeitures	590,000	654,708	654,708	0
Charges for Services	916,600	931,602	931,602	0
Intergovernmental Revenue	2,852,878	3,389,276	2,931,858	(457,418)
Other Revenues	502,015	329,729	424,772	95,043
TOTAL REVENUE	\$ 16,321,877	\$ 16,327,645	\$ 15,965,270	\$ (362,375)
EXPENDITURES				
County Council	194,520	195,812	194,725	1,087
Supervisor's Office	551,823	542,633	538,718	3,915
Information Technology	0	2,171	2,169	2
Council Discretionary	46,560	38,443	38,443	0
County Attorney	66,033	60,987	59,503	1,484
Treasurer	222,770	241,053	240,742	311
Building & Grounds	582,918	636,188	636,030	158
Chavis Building	0	44,289	44,284	5
Community Buildings	104,585	279,737	279,697	40
Health Department	94,432	88,248	85,716	2,532
Auditor	179,224	184,818	184,510	308
Tax Assessor	363,211	359,811	315,042	44,769
Tax Collector	164,337	168,138	118,412	49,726
Probate Judge	220,309	239,126	237,040	2,086
Clerk of Court	669,229	727,271	727,533	(262)
Magistrate	272,801	322,462	322,145	317
Hemingway Magistrate	40,371	46,734	46,560	174
Other Magistrates	223,964	211,854	184,187	27,667
Coroner	97,348	99,054	99,045	9
Disaster Preparedness	129,813	107,322	96,168	11,154
Communications	0	20,785	20,781	4
Veterans Affairs Office	69,924	69,924	69,237	687
Department of Social Services	76,701	76,701	69,888	6,813
Aeronautics Commission	14,488	15,231	15,114	117
Development Board	158,619	158,619	150,957	7,662
Voter Registration	80,987	80,987	80,149	838
General Election Expenses	75,342	75,342	73,813	1,529
Solid Waste Disposal	279,245	279,245	250,168	29,077
Grant Administration	57,875	72,034	72,753	(719)
Tax Forms & Printing	53,376	28,817	28,527	290
Employee Benefits	2,060,195	2,000,315	1,994,017	6,298
Other Expenses	806,340	833,250	781,066	52,184
Summer Intern Program	43,584	53,851	52,419	1,432
Circuit Court Judge	2,025	2,225	2,186	39
Building Code Enforcement	127,325	123,821	108,695	15,126

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

EXPENDITURES (CONTINUED)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Public Defender	\$ 31,852	\$ 31,852	\$ 31,592	\$ 260
Victim Advocates	39,134	39,591	39,587	4
Sheriff	1,863,079	2,168,320	2,164,813	3,507
Detention Center	1,486,362	1,579,897	1,535,397	44,500
Parole & Corrections	625	625	0	625
Solicitor's Office	69,000	69,000	69,000	0
Emergency Medical Services	1,244,707	1,326,147	1,324,116	2,031
Environmental Services	220,455	221,739	221,715	24
Social Service Agencies	89,013	89,013	89,013	0
Agencies	479,475	479,475	479,475	0
Senior Citizens	115,800	115,800	115,800	0
Recreation Department	433,975	618,217	611,911	6,306
Recycling Centers	523,209	566,693	566,638	55
Debt Service	28,791	14,808	14,807	1
Bond Issuance Costs	0	8,392	8,392	0
TOTAL EXPENDITURES	<u>14,755,751</u>	<u>\$ 15,816,867</u>	<u>\$ 15,492,695</u>	<u>\$ 324,172</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,566,126</u>	<u>\$ 510,778</u>	<u>\$ 472,575</u>	<u>\$ (38,203)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(1,472,388)	(696,998)	(1,158,742)	(461,744)
Fund Balance Reservation	(93,738)	(228,780)	0	228,780
Lease Purchase Proceeds	0	415,000	415,000	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,566,126)</u>	<u>\$ (510,778)</u>	<u>\$ (743,742)</u>	<u>\$ (232,964)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>\$ 0</u>	<u>\$ (271,167)</u>	<u>\$ (271,167)</u>
FUND BALANCE, Beginning of Year			<u>4,564,226</u>	
FUND BALANCE, End of Year			<u>\$ 4,293,059</u>	

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
LANDFILL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fees, Licenses & Permits	\$ 480,000	\$ 495,968	\$ 495,968	\$ 0
Charges for Services	265,000	265,000	249,285	(15,715)
Other Revenues	132,900	116,932	17,894	(99,038)
TOTAL REVENUES	\$ 877,900	\$ 877,900	\$ 763,147	\$ (114,753)
EXPENDITURES				
Environmental Services	850,644	1,013,912	1,009,314	4,598
TOTAL EXPENDITURES	\$ 850,644	\$ 1,013,912	\$ 1,009,314	\$ 4,598
EXCESS REVENUES OVER EXPENDITURES	\$ 27,256	\$ (136,012)	\$ (246,167)	\$ (110,155)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(27,256)	(27,256)	(27,256)	0
Fund Balance Reservation	0	163,268	0	(163,268)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (27,256)	\$ 136,012	\$ (27,256)	\$ (163,268)
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ (273,423)	\$ (273,423)
FUND BALANCE, Beginning of Year			3,081,186	
FUND BALANCE, End of Year			\$ 2,807,763	

**REQUIRED SUPPLEMENTARY INFORMATION
WILLIAMSBURG COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
RURAL FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes	\$ 830,760	\$ 867,404	\$ 858,067	\$ (9,337)
Intergovernmental Revenue	270,717	541,434	222,321	(319,113)
Other Revenues	15,400	3,127	3,127	0
TOTAL REVENUES	<u>\$ 1,116,877</u>	<u>\$ 1,411,965</u>	<u>\$ 1,083,515</u>	<u>\$ (328,450)</u>
EXPENDITURES				
Public Safety	1,035,412	3,330,798	2,956,393	374,405
TOTAL EXPENDITURES	<u>\$ 1,035,412</u>	<u>\$ 3,330,798</u>	<u>\$ 2,956,393</u>	<u>\$ 374,405</u>
EXCESS REVENUES OVER EXPENDITURES	<u>\$ 81,465</u>	<u>\$ (1,918,833)</u>	<u>\$ (1,872,878)</u>	<u>\$ 45,955</u>
OTHER FINANCING SOURCES (USES)				
Fund Balance Reservation	0	1,995,146	0	(1,995,146)
Transfers (Out)	(81,465)	(80,518)	(81,467)	(949)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (81,465)</u>	<u>\$ 1,914,628</u>	<u>\$ (81,467)</u>	<u>\$ (1,996,095)</u>
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ 0</u>	<u>\$ (4,205)</u>	<u>\$ (1,954,345)</u>	<u>\$ (1,950,140)</u>
FUND BALANCE, Beginning of Year			<u>2,268,246</u>	
FUND BALANCE, End of Year			<u>\$ 313,901</u>	

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Legal budgets are adopted for the following major governmental funds: General Fund, Landfill Fund, and Rural Fire Fund.

The budget is prepared by the County Supervisor and the Budget Director and approved by the County Council. The appropriated budget is prepared by fund, function, department, activity and object and can be amended throughout the year by County Council approval. The County Supervisor may make transfers of appropriations within a function. Transfers of appropriations between funds require the approval of the County Council. The legal level of budgetary control is the fund level.

The budgetary calendar is as follows:

February 17 - Packets distributed to elected officials, department heads, agency directors, and contribution agencies.

March 17 - All packets returned to Budget Director.

March 26 - County Supervisor, Budget Director and Clerk to Council submit computerized budget worksheets and department budgets to County Supervisor, Finance Committee and County Council.

Prior to June 30 - County Supervisor prepares a budget and submits it to County Council for approval. County Council holds hearings to obtain taxpayers' comments.

June 30 - Budget is legally adopted by ordinance.

June 30 - Final budget distributed to libraries, banks, etc.

WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -
OTHER POSTEMPLOYMENT BENEFITS -
DEFINED BENEFIT HEALTH CARE PLAN
YEAR ENDED JUNE 30, 2010

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Primary Government						
7/1/2008	\$ 0	\$ 2,898,246	\$ 2,898,246	0%	\$ 1,883,275	65%
Component Unit						
7/1/2008	\$ 0	\$ See A Below	\$ See A Below	0%	\$ 21,257	See A Below

Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the County has elected to implement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be presented. Additional trend information will be presented as new actuarial valuations all preformed in future years.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percent Funded
Primary Government			
2010	\$ 292,974	\$ 11,595	4%
2009	300,307	4,659	2%
Component Unit			
2010	\$ 5,327	\$ 0	0%
2009	5,460	0	0%

A. Williamsburg County Library's portion of the actuarial accrued liability and unfunded actuarial accrued liability can not be separately identified because a separate valuation report was unavailable.

SUPPLEMENTAL INFORMATION

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

		SPECIAL REVENUE FUNDS				WILLIAMSBURG COUNTY		
		FEDERAL AND STATE GRANT FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARK FUND	SHERIFF SPECIAL FUND	ALCOHOL & DRUG ABUSE	TOTAL	
ASSETS								
Cash	\$	170,202	210	118,952	8,318	88,643	\$	386,325
Other Receivables		230,106	78,330	344,424	0	29,455		682,315
Due From Other Funds		0	149,547	0	0	0		149,547
Inventory		0	32,769	0	0	0		32,769
TOTAL ASSETS	\$	400,308	260,856	463,376	8,318	118,098	\$	1,250,956
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts Payable		275,231	152,824	0	0	4,992		433,047
Due to Other Funds		123,302	0	0	0	0		123,302
Accrued Wages & Benefits Payable		0	0	0	0	11,447		11,447
Deferred Revenue		3,245	6,170	0	0	0		9,415
TOTAL LIABILITIES	\$	401,778	158,994	0	0	16,439	\$	577,211
FUND BALANCE								
Reserved for Inventory		0	32,769	0	0	0		32,769
Reserved for Special Projects		0	0	463,376	8,318	101,659		573,353
Unreserved		(1,470)	69,093	0	0	0		67,623
TOTAL FUND BALANCE	\$	(1,470)	101,862	463,376	8,318	101,659	\$	673,745
TOTAL LIABILITIES AND FUND BALANCE								
	\$	400,308	260,856	463,376	8,318	118,098	\$	1,250,956

WILLIAMSBURG COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS					WILLIAMSBURG COUNTY
	FEDERAL AND STATE GRANT FUND	ROADS & BRIDGES FUND	INDUSTRIAL PARKS FUND	SHERIFF SPECIAL FUND	ALCOHOL & DRUG ABUSE FUND	TOTAL
REVENUES						
Taxes	\$ 0	\$ 0	\$ 548,514	\$ 0	\$ 0	\$ 548,514
Fees, Licenses & Permits	0	424,068	0	0	77,916	501,984
Intergovernmental Revenue	3,060,545	0	0	0	432,155	3,492,700
Miscellaneous Revenues	0	79	42	6,948	15,761	22,830
TOTAL REVENUES	\$ 3,060,545	\$ 424,147	\$ 548,556	\$ 6,948	\$ 525,832	\$ 4,566,028
EXPENDITURES						
Current:						
General Government	84,425	0	0	0	0	84,425
Public Works	942,440	1,163,547	0	0	0	2,105,987
Public Safety	26,560	0	0	8,873	0	35,433
Health and Human Services	205,035	0	0	0	633,545	838,580
Environmental Services	153,390	0	0	0	0	153,390
Economic Development	1,212,580	0	380,566	0	0	1,593,146
Capital Outlay						
Public Works	295,430	0	0	0	0	295,430
Public Safety	308,000	0	0	0	0	308,000
TOTAL EXPENDITURES	\$ 3,227,860	\$ 1,163,547	\$ 380,566	\$ 8,873	\$ 633,545	\$ 5,414,391
EXCESS REVENUES OVER EXPENDITURES	(167,315)	(739,400)	167,990	(1,925)	(107,713)	(848,363)
OTHER FINANCING SOURCES (USES)						
Transfers (Out)	0	(235,081)	0	0	0	(235,081)
Transfers In	165,845	974,481	0	0	126,657	1,266,983
TOTAL OTHER FINANCING SOURCES (USES)	\$ 165,845	\$ 739,400	\$ 0	\$ 0	\$ 126,657	\$ 1,031,902
EXCESS REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (1,470)	\$ 0	\$ 167,990	\$ (1,925)	\$ 18,944	\$ 183,539
FUND BALANCE, Beginning of Year	0	101,862	295,386	10,243	82,715	490,206
FUND BALANCE, End of Year	\$ (1,470)	\$ 101,862	\$ 463,376	\$ 8,318	\$ 101,659	\$ 673,745

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS & SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2010**

FINES AND FEES STATE PORTION

Public Defender Application Fees	\$ 1,720
Marriage License Fee	3,660
Circuit/Family Court Motion Fees	14,175
Family/Alimony/Child Support Fees	84,082
Circuit/Family Court Fines & Fees	1,680
Circuit/Family Court Filing Fees	30,856
Circuit/Family Court Filing Fees Increase \$50	52,750
Magistrate Filing Assessment Civil - \$25	10,075
Magistrate Filing Assessment Civil - \$10	5,770
Total State Portion Fines & Fees	\$ <u>204,768</u>

DUI/DUS/BUI - ASSESSMENTS/SURCHARGES/PULLOUT

Magistrates' Court DUS DPS Pullout	9,935
Magistrates' DUI Assessment	798
General Sessions DUI Surcharge - \$100	3
Magistrates' Court DUI Surcharge	6,551
Magistrates' Court DUI DPS Pullout	6,351
DUI/DUAC Breathalyzer Test Conviction Fee - \$25	401
Total DUI Assessments State Portion	\$ <u>24,039</u>

SURCHARGES STATE PORTION

General Sessions Court Drug Surcharge	2,277
Magistrates' Court Drug Surcharge	4,982
General Sessions Law Enforcement Surcharge	2,188
General Sessions Criminal Justice Academy \$5 Surcharge	1,041
Magistrates' Court Law Enforcement Surcharges	72,989
Magistrates Criminal Justice Academy \$5 Surcharge	13,119
	\$ <u>96,596</u>

OTHER ASSESSMENTS STATE PORTION

General Sessions Court	3,433
Magistrates' Court	212,583
Total Other Assessments State Portion	\$ <u>216,016</u>

VICTIM'S ASSISTANCE ASSESSMENTS COUNTY PORTION

General Sessions Court	1,514
Magistrates' Court	26,758
Total Assessments County Portion	\$ <u>28,272</u>

SURCHARGES COUNTY PORTION

General Sessions Court	7,251
Magistrates' Court	20,464
Total Surcharges County Portion	\$ <u>27,715</u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR/AGENCY NUMBER	EXPENDITURES
HEALTH AND HUMAN SERVICES			
Passed Through State of S.C. Department of Alcohol & Drug Abuse Alcohol & Drug Abuse Grants	93.959	N/A	\$ 165,570
HOUSING AND URBAN DEVELOPMENT			
Passed Through S.C. Department of Commerce Town of Lane Sewer System Project	14.228	7-CL-07-001	880,030
HOMELAND SECURITY			
Assistance to Fire Fighters	97.044	EMW-2008-FO-04453	88,960
Safer Grant	97.044	EMW-2008-FF-2008	133,361
Passed Through SLED			
LEMPG	97.042	9EMPG01	18,703
LEMPG	97.042	8EMPG01	5,713
Passed Through SCEMD Citizens Corp.	97.067	8CC001	1,528
DEPARTMENT OF TRANSPORTATION			
Passed Through S.C. Department of Aeronautics Airport Improvement Program	20.106	3-45-0033-011-2009	162,500
Passed Through State of S.C. Department of Transportation Rural Transportation	20.509	MT-01011-14	543,737
Rural Transportation - ARRA	20.509	MT-01012-19	653,530
DEPARTMENT OF JUSTICE			
Computer Enhancement Project	16.738	2007-DJ-BX-1387	908
2006 BJA Congressionally Mandated Grant	16.580	2006-DD-BX-0312	164
Mobile Data Grant	16.738	2006-DJ-BX-1091	13,000
DOJ Cops Grant	16.710	2008-CK-WY-0841	10,234
Security Enhancement ARRA	16.804	2009-SB-B9-3284	40,710

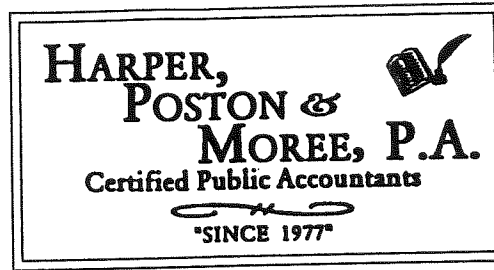
**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR/AGENCY NUMBER	EXPENDITURES
DEPARTMENT OF JUSTICE-CONTINUED			
Passed Through SC Dept. of Public Safety Equipment Upgrade	16.803	1GS09150	83,610
DEPARMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
USDA Communities Facilities Grant	10.766	N/A	138,600
RBEG Grant	10.783	SC-00-21	19,425
Water & Wastewater Disposal Systems for Rural Communities:			
South Williamsburg RDA Grant	10.760	N/A	1,581,936
East Kingstreet Phase I RDA Loan	10.760	N/A	2,532,455
Lane Sewer Project	10.760	N/A	682,740
Passed Through State of S.C. Summer Feeding Program	10.559	SF-110	182,276
TOTALS			\$ <u><u>7,939,690</u></u>

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the grant activity of the Williamsburg County, South Carolina and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented on, or used in the preparation of, the basic financial statements.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Chairman and
Members of Williamsburg County Council
Kingstree, South Carolina

We have audited the financial statements of the governmental activities, the business - type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Williamsburg County as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Williamsburg County Alcohol & Drug Abuse Commission's special revenue fund, as described in our report on Williamsburg County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Williamsburg County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Williamsburg County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Williamsburg County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over

financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting: Finding 2010-B1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamsburg County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

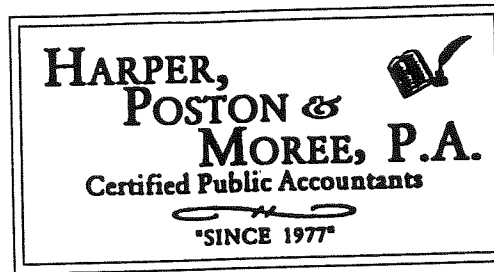
We noted certain other matters that we reported to the management of the Williamsburg County in a separate letter dated February 28, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
February 28, 2011



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

The Honorable Chairman and
Members of Williamsburg County Council
Kingstree, South Carolina

Compliance

We have audited the compliance of Williamsburg County, South Carolina with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2010. Williamsburg County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Williamsburg County's management. Our responsibility is to express an opinion on the Williamsburg County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Williamsburg County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Williamsburg County's compliance with those requirements.

In our opinion, Williamsburg County, South Carolina complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the Williamsburg County, South Carolina is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Williamsburg County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned function, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Council, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
February 28, 2011

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

A - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Williamsburg County, South Carolina.
2. One significant deficiency was disclosed during the audit of the basic financial statements, which was not considered a material weakness, as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instance of non-compliance was disclosed during the audit of the financial statements.
4. No significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Williamsburg County expresses an unqualified opinion.
6. Audit findings relative to major federal award programs for Williamsburg County are reported in part C of this schedule.
7. The programs tested as major programs included:

<u>Program</u>	<u>CDFA Number</u>
Rural Development Water & Waste Water Improvements	10.760
Rural Transportation Grant	20.509
Rural Transportation Grant - ARRA	20.509
Summer Feeding	10.559

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Williamsburg County, South Carolina was determined to be a low risk auditee.

B - FINDINGS - FINANCIAL STATEMENT AUDIT

Significant Deficiencies:

Finding 2010-B1: Financial statement and note disclosure preparation

Condition: The County does not have a staff that can prepare the year end financial statements and required note disclosures in house.

Criteria: The County should have a staff that has the ability to prepare the year end financial statements and required note disclosures.

Cause: Lack of trained personnel.

Effect: Significant Deficiency in internal controls.

Recommendation: We recommend that training be provided to staff on financial statement preparation and note disclosure.

Management Response: Management concurs with this recommendation.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

C - FINDINGS - MAJOR FEDERAL AWARD PROGRAMS

None Noted.

**WILLIAMSBURG COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

There were no prior year audit findings relating to federal award programs that are required by Circular A-133 to be reported in the Summary Schedule of Prior Year Audit Findings.